File No. 321

*19*35 .

Collection No.

A ✓ 16 W 37 2.12.

Mysore Rep
Bangalore.

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(W)

Pros. Serial Nos. 1 – 1.1

Subject.

Income-tax circulars etc.

Previous References.	Later References.
684/34	RF 589/60 RF. 137/42
Indexed	1 "A" 8/9/45 B 20/5

Official Secret
Withdrawn
20/9/45

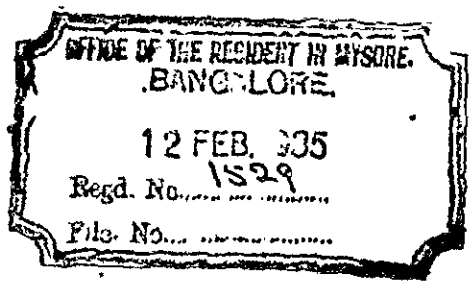
CORRESPONDENCE.

S.N.1

Circular No. 1 of 1935.
R. Dis. No. 956-I.T./34.

CENTRAL BOARD OF REVENUE.

New Delhi, the 29th January 1935.



CIRCULAR.

SUBJECT :—*Tea—Indian Tea Control Act*, 1933—*Licences—Right to obtain —Sale of—Income derived from—.*

Under section 15 of the Indian Tea Control Act, 1933, the owner of a tea estate may transfer his right to obtain export licences in whole or in part to any party. Certain tea planters also have entered into a voluntary scheme for the restriction of the cultivation of tea and this scheme is understood to provide for the transfer of production quotas. The question has arisen how the profit resulting from the sales of such export and production quotas and, on the other hand, the expenditure incurred by the transferee in purchasing such quotas should be treated for the purpose of the assessment of income-tax with reference to Rule 24 of the Indian Income-tax Rules, 1922.

2. The Government of India have decided that where the quotas are transferred by the owner of a tea estate to which they appertain, the price realised should be treated as if it were income derived from the sale of tea grown and manufactured by the seller, since the allocation of the quota has resulted from the growth and sale of tea by the seller in previous years. In that case, therefore, only 40 per cent of the income derived from the sale of the rights will be held liable to tax.

3. Where, however, a further transfer is made by a person other than the owner of the tea estate to which the quota has been so allotted, whether or not such person is himself the owner of a tea estate to which another quota has been allotted, his profits on that transaction cannot in any sense be said to have resulted from the growth by him of tea and will have to be treated as wholly taxable in the assessment of the seller. . The same applies to the profits made by an owner of a tea estate out of a transaction in which he buys a quota and uses it for the export of tea grown in an estate not his own (*e.g.*, after manufacturing tea in his factory from green tea grown elsewhere).

4. If a quota is purchased by the owner of another tea estate and is utilized by him for the exportation of tea grown on his own estate, such purchase enables the purchaser to market the product of his own tea estate, and it follows that the cost of buying the quota will have to be debited to the income of the concern *before* apportionment under Rule 24 of the Indian Income-tax Rules.

5. Where the quota is purchased by a person who is not the owner of a tea estate, or if purchased by the owner of a tea estate is resold by him,

or is used by him for the export of tea grown on an estate not his own, the expenditure will be allowed in full in computing the purchaser's profits, since, as already explained, the net profits of such a person from the transaction are taxable in full and are not covered by Rule 24 of the Indian Income-tax Rules.

M. C. Dharma
6.2.35

Offg : *Second Secretary, Central Board of Revenue.*

To

All Commissioners of Income-tax.

GIPD—999CBR—7-2-35—730.

S.N.2.

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 28/2/ 1935

No.F. 321 -35.
R.O.I.

A copy of the undermentioned paper~~(s)~~ is forwarded to the Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, for information.

~~for information,~~ ~~in continuation of~~ / ~~with reference to~~ ~~the correspondence ending with~~ (his)

~~Memorandum~~ / letter / ~~endorsement~~ ~~from~~

~~No.~~ ~~, dated the~~

By order, etc.,

A. J. Courtney

for Secretary ~~Asst.Secy.~~ to the Resident in Mysore.
and
Commissioner of Income-tax.

List of papers.

Central Board of Revenue Circular No.1 of 1935/R.Dis.No.956-I.T./34, dated the 29th January 1935.

19.2.35.

S.N.3

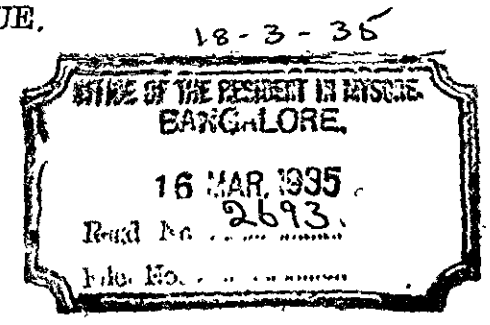
12157

F
13

Circular No. 2 of 1935.
R. Dis. No. 1008-I.T./34.

CENTRAL BOARD OF REVENUE.

New Delhi, the 2nd March 1935.



CIRCULAR.

Indian Income-tax Act (XI of 1922)—Sections 18 (2) and (7)—Salaries—"Persons responsible for paying"—Meaning of—.

On a reference from the Board, the Government of India have ruled that the words "person responsible for paying" used in section 18 (2) of the Income-tax Act, 1922, must be interpreted as referring to the person entrusted by the employer with the duty of paying the salaries and not to the employer himself if he does not himself pay them, and that this applies also to the case of an employee entrusted by the employer with the payment of his, the employee's own salary.

9-3-35
Second Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

G1PD—1161 CBR—8-3-35—730.

S.N.4.

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 19th April 1935.

No. F.321-35.
R.O.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, for information.

~~for information,~~ ~~in continuation of~~ / ~~with reference~~ to the ~~correspondence ending with (his)~~

Memorandum / letter / ~~endorsement~~ ~~from~~

~~No.~~ , dated the

By order, etc.,

(Sd) G. J. Courtney

for Secretary / ~~Asstt. Secy.~~ to the Resident in Mysore.
and Commissioner of Income-tax.

List of papers.

Central Board of Revenue Circular No.2 of 1935/R.Dis. No.1008-I.T./34, dated the 2nd March 1935.

S.N.# 5

R.Dis.No. 215-I.T/35.

CENTRAL BOARD OF REVENUE.

New Delhi, the 22nd March, 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,

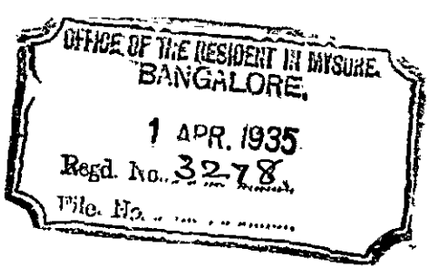
Second Secretary, Central Board of Revenue,

To

The Commissioner of Income-tax,

B e n g a l.

Sir,



Refund-Dividends-Administrator General and Official Trustee-Estate vested in Board's Circular No. 8 of 1933, dated the 17th June, 1933.
Your letter No. 15779, C.T., dated the 1st March, 1935.

...

I am directed to say that the answer to the question raised in your letter quoted above is in the affirmative.

I have the honour to be,

Sir,

Your most obedient servant,

Sd/- Ram Nath,

Second Secretary, Central Board of Revenue.

Copy, with a copy of the letter replied to, forwarded to other Commissioners of Income-tax.

By order, etc.,

... Kishori Lal, 25/3/35.

for Second Secretary, Central Board of Revenue.

R.K.S.
23.3.35.

2

16

Copy of a letter No. 15779-I.T., dated the 1st March, 1935, from the Officiating Commissioner of Income-tax, Bengal to the Secretary, Central Board of Revenue.

....

Refunds-Interest on securities-Administrator General and Official Trustee-Estates vested in-Central Board of Revenue Circular No. 8 of 1933 dated the 17th June, 1933.

....

I have the honour to invite reference to the Circular quoted above and to say that according to the instructions contained therein, the Official Trustee or the Administrator General is now being regarded as the 'owner of the securities' for purposes of applications for refund under section 48 (3) in respect of interest on securities belonging to an Estate vested in him when the beneficiaries and the shares of each are not known. In cases of many such Estates it has been found that they have dividends from Companies besides income from interest on securities and the same difficulty, as was experienced in the case of the latter, arises in determining the owners of these dividends for the purposes of applications under Section 48(1).

The dividends belonging to Estates vested in the Official Trustee or the Administrator General, as the case may be whose beneficiaries with their individual shares are not known should I think be treated in the same manner as interest on securities and I would request you to be so good as to let me know if the provisions of the Circular quoted above may be applied in the case of dividends in similar circumstances.

_____:oOo:_____

R.K.S.
23.3.35.

S. No. 6

3
7

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the *193* .

No. F.321 /35/R.C.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commr. of Income-tax, C.& M. Station, Bangalore, for information.

for information, ~~in continuation of~~ / ~~with reference to~~ the correspondence ending with (his)

~~Memorandum~~ / ~~letter~~ / ~~endorsement~~ from

, ~~dated~~ the

By order, etc.,

For ~~Secretary~~ / ~~Asst. Secy.~~ to the Resident in Mysore. & Commr. of Income-tax

List of papers.

S.N. 1 (P.U.C.) Letter from the Second Secretary, Central Board of Revenue, R.Dis No. 215-I.T/35, dated the 22nd March 1935 with enclosure.

6-4-35

S. No. 37

R.Dis. No. 284-I.T/35.

CENTRAL BOARD OF REVENUE.

New Delhi, the 1st April, 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,

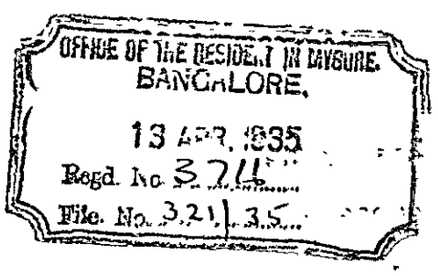
Second Secretary, Central Board of Revenue,

To

The Commissioner of Income-tax,

B U R M A.

Sir,



Indian Income-tax Act, XI of 1922-
Sections 26A, 27, 48, 48A or 49-
Copies of orders under-Free
supply of, to assessees.
Your letter No. 2676/31-22/35,
dated the 9th March, 1935.

With reference to your letter quoted above, I am directed to say that for the reason given therein the Board agrees with you and has accordingly decided that in all cases where the statutory form of Appeal requires the order to be attached to the appeal i.e., under sections 26A 27, 48, 48A, or 49, copies of the order should be supplied to the assessees as soon as the orders are passed without waiting for an application from them.

I have the honour to be,

Sir,

Your most obedient servant,

Sd. Ram Nath,

Second Secretary, Central Board of Revenue.

Copy, with a copy of the letter replied to, forwarded to other Commissioners of Income-tax, for information.

By order etc.,

for Second Secretary, Central Board of Revenue.

R.K.S.

15

14

Copy of a letter No. 2676/31-22/35, dated the 9th March, 1935, from the Commissioner of Incometax, Burma, to the Secretary, Central Board of Revenue.

Indian Income-tax Act, 1922-Section 27-Copies of orders under-Free supply of, to assessees-. Board's circular No.4 of 1934, D.Dis.No.891-I-T./33, dated the 16th March, 1934.

In accordance with the instructions in the Board's Circular cited above, copies of orders passed under Sections 23A,26,27,28,32 and 33 of the Indian Income-tax Act, 1922, are supplied to assessees only when they apply for them. This procedure is all right so far as orders under Sections 23A,26,28,32 and 33 are concerned, but I consider that it is not suitable in the case of orders passed by an Income-tax Officer under Section 27. The Statutory Form of Appeal against such an order-Form A-prescribed at page 190 of the Income-tax Office Manual, requires a copy of the order to be attached to the appeal. The copy of the order under Section 27, therefore, forms an integral part of the appeal, and it seems anomalous to require an assessee to make a special application for a copy of an order which the law expressly requires him to attach to his appeal, Moreover, the presentation of an appeal under Section 30 of the Act, and its disposal, are delayed owing to the time taken in obtaining from the Income-tax Officer a copy of the order under Section 27. It would, therefore, prevent delays and avoid inconvenience if copies of orders passed under Section 27 are supplied to assessees, as a matter of course, as soon as the orders are passed. In the case of appeals against assessments, the prescribed form (Form B) requires that the Notice of Demand be attached to the appeal. In this case, however, no difficulty arises as the Notice of Demand is sent to the assessee in each case. It seems desirable that the same procedure should be followed in the case of an order under Section 27 which equally has to be attached to the Appeal.

:oOo:
:oOo:

R.K.S.
2.4.35.

S.N. 8

Issued Coorg 9/5/35

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 9th May 1935.

No. 321/35/R.C.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commissioner of Income-tax, C.& M. Station, Bangalore, for information.

for information, ~~in continuation of~~ / ~~with reference to~~ the ~~correspondence~~ ending ~~with (his)~~

~~Memorandum~~ / ~~letter~~ / ~~endorsement~~ from

~~No~~ , ~~dated the~~

By order, etc.,

sd/- A. J. Courtney.

For ~~Secretary~~ / ~~Asst Secy.~~ to the Resident in Mysore. & Commr. o Income-t

Burma

List of papers.

Encl. to S.N. 3 (P.R.C.) Letter from the Commr. of Income-tax, Burma, to the Secretary, Central Board of Revenue No. 2676/31-22/35, dated the 9th March 1935.

S.N. 3 (P.R.C.) Letter from the Second Secy., Central Board of Revenue, to the Commr. of Income-tax, Burma, R.Dis. No. 284-I.T/35, dated the 1st April 1935.

23.4.35

S.N.S 9

D.O. D.Dis. No. 362-I.T./35.

CENTRAL BOARD OF REVENUE.

Simla, the 26th April 1935.

My dear Vachha,

OFFICE OF THE RESIDENT IN MYSORE
BANGALORE
4 MAY 1935
Regd. No. 4629
File No.

ELECTORAL ROLLS--PERSONS ASSESSED TO SUPER-TAX--LIST OF--SUPPLY TO RETURNING OFFICER--QUESTION OF--.

Your D.O. No. E1.14/35, dated 15.4.1935.

You may inform the Returning Officer that you are precluded by Section 54 of the Indian Income-tax Act, XI of 1922, from furnishing the list for which he has asked, but you might add that, if any person himself asks for a certificate as to the amount of income-tax or super-tax that he pays or the amount of income on which he is assessed, it will be supplied.

Yours sincerely,

(Sd.) A.H. Lloyd

Khan Bahadur J.B. Vachha, C.I.E.,
Commissioner of Income-tax,
Bombay.

Copy with a copy of the letter replied to forwarded to other Commissioners of Income-tax for information.

By order, etc.,

26.4.35.

Second Secretary, Central Board of Revenue.

BLM.

d.o.

Copy of letter No. El.14/35, dated the 15th April, 1935, from Khan Bahadur J.B. Vachha, Commissioner of Income-tax, Bombay, to A.H. Lloyd, Esquire, CSI., CIE., ICS., Member, Central Board of Revenue, New Delhi.

.....

COUNCIL OF STATE - ELECTRRAL ROLLS FOR THE PURPOSES OF ELECTION TO - PREPARATION OF- ASSESSEES PAYING SUPER TAX - LIST OF- SUPPLY OF.

Gaskell's D.O. D.Dis.No.284-I.T/29 dated 7th April 1929. Board's Telegram D.Dis. No.562-I.T/30 dated 16th July 1930.

....

The Returning Officer entrusted with the work of preparing the above Electoral Rolls has ~~xkk~~ asked me to supply him urgently with a list of super-tax payers for the past financial year. From Gaskell's above D.O. it is clear that at that time it was held that a list would be supplied for the purposes of the Electoral Rolls for the Council of State. This D.O. has, however, been subsequently cancelled as per Board's telegram D.Dis. No.562-I.T/30 of 16th July 1930. As the telegram is not quite clear as to what is to be done, will you kindly let me know whether the required list may be supplied or otherwise? Of course, if it is supplied it will mean our disclosing the fact that the persons included therein were assessed on an income exceeding Rs. 30,000. Hence we will not only be disclosing that they were assessed but that they were assessed on an income exceeding Rs. 30,000. The telegram precludes me from supplying any information about an assessee beyond the fact that he has been assessed and his address.

2. As regards the Electoral Rolls for the Legislative Assembly, lists of all Income-tax payers were supplied as it was thought that thereby the requirements of the above telegram were satisfied. Closer consideration, however, shows that that is not quite correct as the very fact that a person was assessed to income-tax means that he has income over a certain limit viz. Rs. 1,000. However, as, to say that the income was

above Rs. 30,000 would mean giving out more definite information than saying that the income was above Rs. 1,000/- a distinction can be made as regards a different attitude for the purposes of the Council of State Rolls.

S.N. 70

D.O. C. No. 216-I.T./35.

CENTRAL BOARD OF REVENUE

Simla, the 1st May, 1935.

My dear Senneck,

INDIAN INCOME-TAX ACT, 1922—SECTION 19—INCOME-TAX MANUAL PAGE 17 B—LINE 5—MISTAKE IN—CORRECTION OF—.

Your D.O. No. 293/35, dated the 10th April 1935.

Thanks. The error which you point out has already been corrected by the Repealing and Amending Act, 1934 (XXIV of 1934). The necessary correction to the Income-tax Manual will be issued in due course.

Yours sincerely,

(Sd.) A.H. Lloyd.

F. H. Senneck, Esquire, I.C.S.,
Commissioner of Income-tax,
Madras.

Copy of correspondence forwarded to all Commissioners of Income-tax.

OFFICE OF THE RESIDENT IN MYSORE
BANGALORE.
7 MAY 1935
Regd. No. 4477
File No.

By order, etc.,

Second Secretary, Central Board of Revenue.

BLM.

L●●. No. 293/35.

Office of the
Commissioner of Income-tax,
Madras, dated the 10th April 1935.

My dear Lloyd,

Income-tax Act 1922 - Section 19 -
Incometax Manual page 17B -Line 5
Mistake in - Correction of.

Now that Section 19 has been amended the words "that section" occurring in it have become meaningless. Evidently the words "section 18" should be substituted. I mention this in case the point has not been noticed by the Board or brought to its notice- though this seems unlikely.

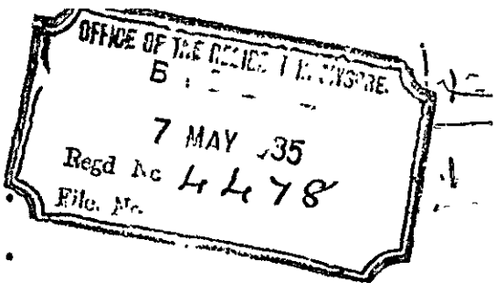
Yours sincerely,

Sd. F.H. Senneck.

A.H. Lloyd Esq., C.S.I., C.I.E., I.C.S.,
Member, Central Board of Revenue,
New Delhi.

S. N. 7 11

1613



D.Dis. No.175-I.T./35.

Government of India.

FINANCE DEPARTMENT (CENTRAL REVENUES).

SIMLA, the 22nd April, 1935.

....

From

A. H. Lloyd, Esquire, C.S.I.,C.I.E., I.C.S.,

Joint Secretary to the Government of India,

To

The Superintending Methodist Chaplain in India,

The Methodist Church, New Delhi.

Sir,

Liability to income-tax-Methodist Missionary Society-Allowances paid by, for- Maintenance and education of children of missionaries and missionary secretaries-.
Your letter No.12/9/18, dated the 27th February, 1935.

....

In reply to your letter quoted above I am directed to state that as the alleged trust is admittedly designed to secure remission of income-tax otherwise legally payable, the Government of India are of opinion that it is void; and, in any case, it could not be held to be duly accepted by the parent unless regular separate accounts were kept for it. The allowances paid by the Society for the maintenance and education of the children of Missionaries and the Missionary Secretaries are, therefore, not separately assessable under section 40 of the Indian Income-tax Act; 1922, but are to be included in the income of the father.

I have the honour to be,
Sir,
Your most obedient servant,

Sd/- A.H. Lloyd,
Joint Secretary to the Government of India.

Copy.....

~~13~~
17

Copy with a copy of the letter under reply forwarded to all Commissioners of Income-tax.

By order, etc.,

Ram Nath
30-4-35

Assistant Secretary to the Government of India

N/25.

Copy of letter No.12/9/18, dated New Delhi, the 27th February, 1935, from the Superintending Metnodist Chaplain in India, the Methodist Church, New Delhi, to the Secfetary to the Government of India, Finance Department (Central Board of Revenue), New Delhi.

....

I have the honour to state that the following Resolution was passed at a Meeting of the General Committee of the Methodist Missionary Society held in London on October the 31st 1934 with a view to securing a reduction of the Income Tax Assessment made on account of all Missionaries and Agent of the Society:-

> "It is hereby declared that the Allowances paid by the Methodist Missionary Society for the Maintenance and Education of the children of missionaries and the Missionary Secretaries are, and always have been, the income of each individual child, the father being merely, a Trustee in respect thereof".

I shall be glad if you will kindly inform me if tnis can become operative in India.

I may explain that our missionaries receive their stipends and other personal allowances in full in India, including Maintenance, Education and Separation Allowances for children being educated in England.

.....

S.N. 12

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 23/5/ *193 5.*

No. 321/35
R.O.I

Issued
23/5

A copy of the undermentioned paper(s) is forwarded to the Asst. Commr. of Income-tax, C.& M. Station, Bangalore, for information.

for information, ~~in continuation of~~ / ~~with reference to~~ the correspondence ending with ~~(his)~~

~~Memorandum~~ / ~~letter~~ / ~~endorsement~~ from

~~No.~~ ~~, dated the~~

By order, etc.,

Sd. A.J. Coutts

For ~~Asst.~~ Secretary to the Resident in Mysore.

Commr. of Income-tax

List of papers.

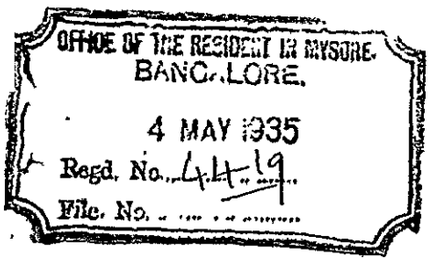
S.N.5 D.C. Letter from the Central Board of Revenue to the Commr. of Income-tax Bombay, D.Dis.No. 362-I.T./35, dated the 26th April 1935, with a copy of that to which it is a reply.

" 6 D.C. letter from the Central Board of Revenue to the Commr. of Income-tax Madras C.No. 216-I.T./35, dated the 1st May 1935, with a copy of that to which it is a reply.

Letter from the Govt. of India, Finance Department(Central Revenues), to the Supdg. Methodist Chaplain in India D.Dis. No. 175-I.T./35, dated the 22nd April 1935, -do- -do-

AGM 27/5

S. N.S 13



R. Dis. No.380-I.T./34.

CENTRAL BOARD OF REVENUE.

SIMLA, the 22nd April, 1935.

....

CIRCULAR NO. 3.

Addendum.

S. N. 1 (Cate. I) I. 229(c)-31 SC/p (L)

Indian Income-tax Act (XI -22)- Section 9-Property-Assessment of annual value of- Clubs-Board's Circular No. 16 of 1932 R.Dis.No.373-I.T./32, dated the 14th June 1932.

....

At the end of paragraph 2 of the Board's Circular quoted above, add the following :-

"3. The above view has been confirmed by the Judgment of the Calcutta High Court dated the 5th December 1934 in the case of the Calcutta Stock Exchange Association Limited."

Ram Nath 27-4-35

Second Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

N/25.

S.N.& 14

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 18th June . 1935.

No. F.-321 -35.
R.O.I.

A copy of the undermentioned paper~~(s)~~ is forwarded to the Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore,

for information, in continuation of ~~with reference to~~ the ~~correspondence ending with (his)~~ ~~Memorandum~~ ~~letter~~ endorsement from this office No.4524, dated the 9th July 1932.

~~No. , dated the~~

By order, etc.,

Asst. Secretary ~~AsstxSecy.~~ to the Resident in Mysore.

List of papers.

~~xxxxxxxxxxxxxxxxxx~~
Central Board of Revenue Circular No.3, ~~xxxxx~~ R.Dis.No.380-I.T./34, dated the 22nd April 1935.

S. N. 8/5

A 1852

C.No. 382-I.T./35.
CENTRAL BOARD OF REVENUE.

H 1
122

Simla, the 3rd May, 1935

From.

Rai Bahadur Pandit Ram Nath, B.A.,
Second Secretary, Central Board of Revenue.

To

The Commissioner of Income-tax,
Punjab, North West Frontier & Delhi Provinces

Sir,

Exemption from income-tax-
Consolidated allowances-
Officers of Australian
Forces under training in India-
Veron (Lt. D.N.), Australian
Staff Corps-.
Your letter No. 37J, dated the
26th April, 1935.

In reply to your letter quoted above, I am directed to enclose a copy of the letter from the Army Department No. B/30725/1 (A.G.13), dated the 13th November, 1934, from which you will see that the Government of India have agreed to exempt from the payment of Indian tax the consolidated allowances paid to officers of the Australian Forces whilst attached to Units in India for the purpose of training

I have the honour to be,
Sir,
Your most obedient servant,

Second Secretary, Central Board of Revenue.

OFFICE OF THE RESIDENT IN MYSORE,
BANGALORE,
18 MAY 1935
Regd No. 8838
File. No. 321/35

*With Army Deptt. letter of the 13.11.34.

* Copy forwarded to all other Commissioners of Income-tax.

By order, etc,

for Second Secy., Central Board of Revenue

"K"7/V.

Copy of letter No. B/30725/1(A.G. 13). dated the 13th November, 1934, from the Under Secretary to the Government of India, Army Department to the Secretary, Prime Minister's Department, Commonwealth of Australia, Canberra.

Exemption of consolidated allowance, paid to officers of the Australian Staff Corps, while in India, from Indian Income Tax.

I am directed to refer to your letter No. U.337/8, dated the 28th August 1934, on the above subject, and to say that the Government of India agree to the exemption from Indian Income-tax of the consolidated allowances paid to officers of the Australian Forces whilst attached to units in India for the purpose of training.

S. N. 16

17

22

D.Dis: No.231-I.T./35.

Central Board of Revenue,

Simla, the 30th April, 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,

Second Secretary, Central Board of Revenue,

To

The Commissioner of Income-tax,

Punjab, N.W.F. and Delhi Provinces.

Sir,

Life Insurance Companies-Assessment of-Interest from tax-free securities-interest from foreign securities-Deduction on account of, from net actuarial surplus. Your letter No.9975, dated the 2nd March,1

With reference to your letter quoted above, I am directed to state that the Board has consulted the Government Actuary as suggested by you.

2. It is understood that, in the case of two prominent Indian Life Assurance Companies, the Consulting Actuary of the Company concerned has himself furnished a certificate as to what portion of the foreign interest receipts has found its way into the actuarial surplus. The Government Actuary is, therefore, of opinion that in the case of other Insurance Companies also the certificate as to what portion of the tax-free interest and/or foreign interest receipts has been included in the surplus should be furnished by the consulting actuary of the company concerned. As the companies mentioned in the enclosure to your letter have experienced some difficulty in following the instructions of the Income-tax Officer, Lahore, in this respect, the Government Actuary has suggested the following procedure. The Companies should be asked to produce a certificate from

their consulting actuaries as to what portion of the actuarial surplus is accounted for by interest profit, that is, net interest earned less net interest required for the purposes of the valuation. None of the companies' consulting actuaries ought to experience any difficulty in furnishing this certificate. When this certificate is received, the amount of tax-free interest which has found its way into the actuarial surplus can be deduced in the following manner :-

	Rs.
Let the Interest Profit be	A
Let the Total Net Interest earned throughout the valuation period be	B
Let the Interest on tax-free Securities or foreign securities be	C
Amount of tax-free interest or interest on foreign securities included in the surplus =	$\frac{C \times A}{B}$

I am accordingly to suggest that the insurance companies concerned may be addressed on the lines suggested above by the Government Actuary.

3. I am to add that if the companies do not respond to the course proposed above the Income-tax Officer should make a rough estimate taking a certain percentage of tax-free interest (say 1/3 thereof) as having found its way into the actuarial surplus and allow that amount only. He may also, if possible, use the enclosed formula in cases in which the valuation period is 3 years.

I have the honour to be,
Sir,
Your most obedient servant,

Sd/- Ram Nath,

Second Secretary, Central Board of Rever

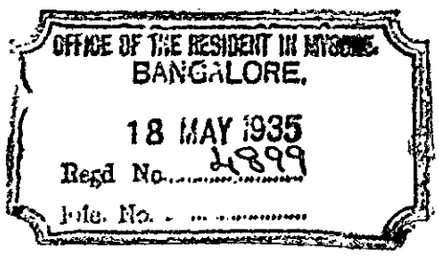
Copy .....

A 151/52

18
24

Copy of correspondence forwarded to other Commissioners of Income-tax, for information:

By order, etc.,



10.5.35

for Second Secretary, Central Board of Revenue.

N/1.5.

19

25

Copy of letter No. 9975, dated the 2nd March, 1935, from the Commissioner of Income-tax, Punjab, to the Second Secretary, Central Board of Revenue.

....

Life Insurance Companies-Assessment of-Interest from tax-free securities-Interest from Foreign securities- Deduction on account of- From Actuarial Net Surplus Profits-

.....

I have the honour to refer to instructions issued in Board's File Reference Nos. 124 and 296 I.T.34. Enclosed is a copy of a letter from the Income-tax Officer, Lahore setting out his difficulty in arriving at an appropriate actuarial estimate, in certain cases where the assessee insurance companies have not furnished an actuarial calculations. The relevant actuarial valuation reports are also enclosed; and I would be glad if the Government Actuary could furnish a suitable basis of estimate to be applied.

.....

Copy of a letter No.B/34-35 dated 4th February, 1935 from the Income-tax Officer, Lahore, to the Commissioner of Income-tax, Punjab, N.W.F. and Delhi Provinces, Lahore through the Assistant Commissioner, Lahore.

.....

Life Assurance Companies- Assessment of Interest from tax free securities-deduction on account of .... from actuarial net surplus profits.

I have the honour to state that in the assessment of the marginally noted Life Assurance Companies the whole of their interest receipts from tax free securities is being allowed as a set off against the surplus shown by their actuarial valuation. On receipt of your orders conveyed under your office endorsement No.124-31/33-727 dated 16-3-1934, notice under section 34 was issued to them with a view to assess such portion of tax free interest .

Co-operative Assurance Co.

Christian Mutual Ass.Co.

Bharat Ins.Co.

Lakshmi Ins. Co. Ltd.

interest as did not find its way into the said surplus. This point has been discussed with the representatives of the said companies who were requested in my circular letter dated 4-7-34/18/10/1934 to consult their actuaries and obtain a certificate as to the amount of such interest included in the surplus. Reminders were also issued. Some of the companies referred the matter to their actuaries and replies received in a few case are quite off the point. It appears that the matter is not being taken up seriously by the companies. I follow the principle enunciated by the Board but I have not been able to work out a formula applicable to each case. I am giving below the figures of surplus disclosed by the last actuarial valuation Balance sheet of each company and tax free interest accounted for on the income side and would request that the Government Actuary may kindly be referred to for a solution.

	Period covered by last valuation.	Surplus disclosed.	Tax free interest.
1 Co-operative Assurance Co.Ltd.	1.8.26-31.7.29	17041	23972-9-9
2.Christian Mutual Ass.Co.Ltd.	1.1.25-31.12.29	47131	21828-12-0
3.Bharat Insurance Co. Ltd.	1.1.24-31.12.28	120693	50530-0-0
4.Lakshmi Insurance Co. Ltd.	1.5.28-31-4-32	536435	10833-0-0

I am also enclosing copies of Actuaries' reports for reference. Files have been detained as they are bulky but will be submitted later if desired. I will furnish any other details that may be needed for the purpose of reference.

.....

Formula for determining the interest profit (net interest earned less the net interest required for the purposes of valuation).

$$I = V_0\left\{(1+i)^3-1\right\} - (P_1 - d_1 - e_1)\left\{(1+i)^{2\frac{1}{2}}-1\right\} - (P_2 - d_2 - e_2)\left\{(1+i)^{1\frac{1}{2}}-1\right\} - (P_3 - d_3 - e_3)\left\{(1+i)^{\frac{1}{2}}-1\right\}$$

Where -

I is the total net Interest earned by the Funds throughout the Triennium;

V_0 is the total Reserve on Policies that fell to be valued say at 31st December 1927 together with the Reserve for New Bonus then declared;

i is the rate per unit of interest used in the Valuation say at 31st December 1930;

P_1 is the premium income in the first year of the Triennium, i.e., 1928 including consideration for annuities;

P_2 and P_3 have similar meanings as applied to the years 1929 and 1930 respectively.

d_1 is the total Outgo for claims, surrenders, annuities, surrender of bonus for cash and in reduction of future premiums, as applicable to 1928.

d_2 and d_3 refer similarly to outgo under these heads for 1929 and 1930 respectively.

The Interim bonuses paid during the Triennium, shown fall to be deducted from the amount of the claims in the Revenue Accounts.

e_1 represents the Expenses of Management for 1928, including commission and the income tax and super tax items appearing on the right-hand side of the Revenue Account.

e_2 and e_3 represent the same items pertaining to 1929 and 1930 respectively.

S. N. 17

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 8/6 *1935.*

No. 321/35/R.O.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commr. of Income-tax, C.& M. Station, Bangalore, for information.

for information, ~~in continuation of~~ / ~~with reference to~~ the correspondence ending with ~~this~~

Memorandum / ~~letter~~ / endorsement from

~~No.~~ , ~~dated the~~

By order, etc.,

R. A. J. Courtney.

for ~~Secretary~~ / ~~Asst Secy.~~ to the Resident in Mysore. & Commr. of Income-tax

List of papers.

F.U.C.I — Letter from the Central Board of Revenue, C.No. 382-I.T./35, dated the 3rd May 1935.

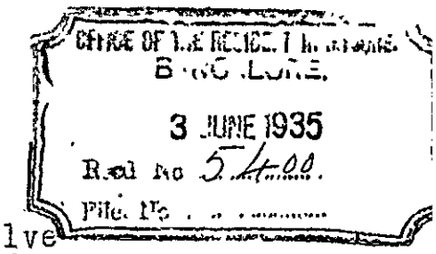
" II — Letter from the Central Board of Revenue, ~~M~~.D.Dis.No.231-I.T./35, dated the 30th April 1935 together with a copy of the letter t which it is a reply (with enclosure)

24-5-35

S. N. 12 18

I.T.
3-6-35

C.No.7-I.T./35.
GOVERNMENT OF INDIA,
Finance Department (Central Revenues).
Simla, the 21st May, 1935.



OFFICE MEMORANDUM.

Indian Income-tax Act, 1922- Section 60(2)- Army officers leaving India- More than twelve months' salary being received in one financial year- Higher rate - Relief in respect of-.

The Government of India have decided that in the case of an officer paid from the Defence Services Estimates who, prior to leaving India, receives pay in advance under the provision of paragraph 50, Financial Regulations for the Army in India, Part I, or under paragraph 46, Marine Regulations, India, Volume I, and who thereby becomes liable to have his income assessed at a rate higher than that at which it otherwise would have been assessed, the officer disbursing his emoluments will deduct income tax on his total emoluments for the year (including the amount paid in advance under the above paragraphs) at the rate applicable to his emoluments exclusive of the payment in advance.

2. In every case where a disbursing officer exercises this power, he will at the same time, report the case to the Central Board of Revenue in order that formal orders under section 60(2) of the Indian Income-tax Act, 1922 may be issued for transmission to the Income Tax Officer concerned.

Sd/- A.H.Lloyd,

Joint Secretary to the Govt. of India.

To

The Secretary to the Government of India,
Army Department.

Copy....

Copy forwarded to the Financial Adviser, Military Finance, for communication to the Military Accountant General, Director of Army Audit and to all Controllers of Military Accounts.

Copy also forwarded to the Commissioners of Income-tax, for information.

By order, etc.,

Alain Watt
29-5-35

Assistant Secretary to the Govt. of India.

S.N.-13- 19

C.No.443-I.T/35.

CENTRAL BOARD OF REVENUE.

Simla, the 29th May 1935.

MEMORANDUM.

RESIDENCY OF THE RESIDENT IN MYSORE.
BANGALORE.
8 JUNE 935
Regd. No. 5279
File. No. ....

Refunds under section 48 - "persons not resident in British India" - salary paid while resident - Income-tax Officer competent to deal with applications.

(i) Sub-section (4) of Section 48 of the Indian Income Tax Act is not to be applied to claims for refund under that Section when the whole of that part of the applicant's income to which the claim relates accrued, was drawn or was received before he ceased to be a resident. For this purpose, it is permissible to deal separately with claims under Section 48 relating to income falling under different heads in Section 6.

(ii) Applications from persons who have become non-residents for refund of income-tax deducted from their income under the head "salaries" while they were still resident should not be dealt with by the Income-tax Officer, Non-Residents Refund Circle, Bombay, but by the Income-tax Officer who would have dealt with such an application if the applicant had remained a "resident".

1.6.35,
Second Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

N/31.

S.N. ~~13~~ 14 20

Issue 9.6.35

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 19/6/ *193* 5

No. 321/35/R.O.I.

Issued 19/6/35

A copy of the undermentioned paper(s) is forwarded to the Asst. Commr. of Income-tax, C.& M. Station, Bangalore, for information.

for information, ~~in continuation of~~ / ~~with reference to~~ the correspondence ~~ending~~ with (his)

~~Memorandum~~ / ~~letter~~ / ~~endorsement~~ from

~~No.~~ ~~, dated the~~

By order, etc.,

Sd. A. J. Courtney.

For ~~Secretary~~ / ~~Asst. Secy.~~ to the Resident in Mysore & Commr. of Income-tax

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List of papers.

S.N.12 Office memo from the Govt. of India, Finance Dept (Central Revenues) C.No.7-I.T/35, dated the 21st May 1935.

S.N. 13 Memo. from the Central Board of Revenue C.No. 443-I.T/35, dated the 29th May 1935.

8-6-35

176

S.N.15 21

D.Dis.No.461-I.T/35.

CENTRAL BOARD OF REVENUE.

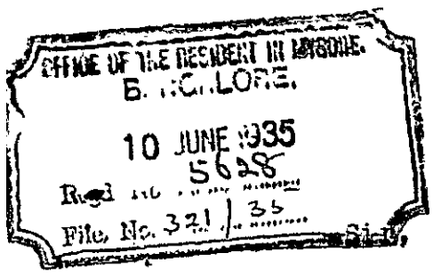
Simla, the 30th May 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,

Second Secretary, Central Board of Revenue,

To



The Secretary,

Public Service Commission,

Simla.

Examination fees - Paying Officers - Communication of, to Commissioners of Income-tax, by Public Service Commission -.

In reply to your letter No.F.202/34-Gl., dated the 28th May 1935, I am directed to state that the revised statement proposed therein will meet the requirements of the Income-tax Department.

I have the honour to be,

Sir,

Your most obedient servant,

Sd/- Ram Nath,

Second Secretary, Central Board of Revenue.

.....

Copy, with a copy of the letter replied to (with enclosures) forwarded to all Commissioners of Income-tax for information.

By order, etc.,

5-6-35

for Second Secretary, Central Board of Revenue.

S/31.

Copy of letter No.F.202/34-G1., dated the 28th May 1935, from the Secretary, Public Service Commission, Simla, to the Secretary, Central Board of Revenue, Simla.

I am directed to invite a reference to the letter from the Central Board of Revenue to all Commissioners of Income Tax No.R.Dis.417-ii-I.T/28, dated the 22nd June, 1928, and to state that, in accordance with the procedure laid down therein, particulars of payments made by this office to examiners, etc., are supplied to the Commissioners of Income Tax through the Accountant-General, Central Revenues, in the form of a statement (specimen copy enclosed). The Income Tax authorities, however, require further information from ~~xxx~~ time to time regarding the actual date of payment of the monies to the parties concerned. This has resulted in a large number of references to this office. In order to avoid correspondence of this nature, it has been suggested by the Accountant General, Central Revenues, that the statements referred to above be sent direct by this office to the Commissioners of Income Tax after the money has been drawn from the Treasury, indicating the date of payment. As payments are made in most cases by Bank Drafts and Remittance Transfer Receipts, it is not possible for this office to supply the dates on which the amounts are actually drawn by the persons concerned. The Public Service Commission, therefore, propose to furnish the dates of the issue of the bank drafts and Remittance Transfer Receipts, etc., to the Income Tax authorities in the manner shown in the revised draft statement (copy attached).

I am to request that the Commission may kindly be informed whether the proposed revised statement will meet the requirements of the Income Tax authorities. If not, some other suitable alternative prodedure may kindly be suggested, so that the Commission maynot be called upon to carry on further correspondence in this connection with the Income Tax Officers. I am to add that during the year 1934-35, the Commission disbursed honoraria to 340 examiners, invigilators,

etc.,

etc., and particulars of these payments were communicated to the Commissioners of Income Tax. The Commission have not a sufficient staff to attend to any supplementary correspondence in respect of this large number of payment in addition to the supply of the necessary particulars through the statements.

The following statement showing the amount of honoraria, etc., paid by the Public Service Commission(India) in connection with the

is forwarded to the Accountant-General, Central Revenues, New Delhi, for favour of verification and transmission to the Commissioner of Income Tax, (vide Central Board of Revenue's letter No.R.-Dis'.417-ii-I.T./28, dated the 22nd June, 1928).

Delhi/Simla,
The , 193 .

Secretary, Public Service Commission.

Serial No.	Name and address of the payees.	Amount paid.	Deductions, if any, on account of actual expenses not liable to assessment.

No.

Simla/Delhi, the , 193 .

Name of Examination.-

The following statement showing the amount of honoraria, etc., paid by the Public Service Commission (India) in connection with the examination noted above is forwarded to the Commissioner of Income Tax, vide Central Board of Revenue's letter No.R.Dis.417-11-I.T./28, dated the 22nd June, 1928.

for Secretary, Public Service Commission.

Sr. No.	Name and address of the payees	Amount paid	Actual expenses, if any, not liable to assessment of income-tax.	Date of payment or the date of remittance of the M.Os. and Bank Drafts or R.T.Rs.

Note.- Amounts below Rs.25/- are remitted by money orders and those of Rs.25/- and over are remitted by means of bank drafts or R.T.Rs. The payments at the headquarters stations are made in cash.

S. N. 15 22

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 3rd July 1935.

No. 321/35/R.O.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commr. of Income-tax, C.& M. Station, Bangalore, for information.

for information, in continuation of / with reference to the correspondence ending with (this) Memorandum / letter / endorsement from

, dated the

By order, etc.,

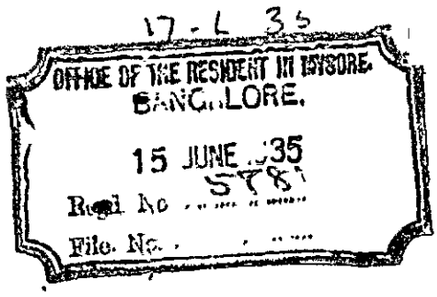
For Secretary / ~~Asst Secy~~. to the Resident in Mysore. Commr. of Income-tax

List of papers.

S.N. 15 (P.U.C.) Letter from the Central Board of Revenue to the Secy., Public Service Commission, D.Dis. No. 461-I.T/35, dated the 30th May 1935 with a copy of that to which it is a reply (with enclosures).

16-7-35

S.N.7-23



CIRCULAR No. 4 OF 1935.

R. Dis. No. 366-I.T./35.

CENTRAL BOARD OF REVENUE.

Simla, the 28th May, 1935.

CIRCULAR.

Indian Income-tax Act, XI—22—Section 23(4)—Assessment under—Appeal against —Assistant Commissioner's order refusing to entertain—Section 66—Reference to High Court in respect of point arising out of—Whether admissible.

When a document purporting to be an appeal under section 30 is filed against an assessment purporting to have been made under sub-section (4) of section 23 it should be admitted as an appeal in Bihar and Orissa (see *Kunwarji Ananda*, 5 I. T. C.-417); elsewhere, it should be treated as an application for the admission of the appeal.

2. In neither case should the Assistant Commissioner make an *ex-parte* order declining to entertain the appeal on the ground that by reason of the proviso to sub-section (1) of section 30 no appeal lies. The assessee should be given a hearing on the preliminary issue whether the appeal lies, and a finding should be recorded on that issue. (The notice giving the assessee an opportunity of a hearing should not be issued in Form I. T.-18, except in Bihar and Orissa). The decision on this preliminary issue will depend on whether the assessment expressed to have been made under sub-section (4) of section 23 was in fact capable of being made under that sub-section. If the decision on this issue is adverse to the appellant, the appeal will be dismissed (in Bihar and Orissa) or its admission refused (elsewhere) on the ground that no appeal lies.

3. In Bihar and Orissa, an order dismissing the appeal on this ground is an order under section 31 within the meaning of sub-section (2) of section 66, and the assesseee is therefore entitled to require the Commissioner to refer to the High Court any question of law arising out of such order. Elsewhere and particularly in Agra, the Punjab and Burma (see *Jot Ram Sher Singh*, 7 I. T. C.-173; *Bhagat Dunichand*, 4 I. T. C.-33; and *Abdul Baree Chawdhery*, 5 I. T. C.-352), the order refusing to admit the appeal should be expressed as an order under the proviso to sub-section (1) of section 30; it will not fall within the scope of sub-section (2) of section 66.

4. Circular No. 4 of 1932/R. Dis. No. 646-I.T./31, dated the 3rd March 1932, is hereby superseded.

11-6-35
Second Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

M34CBR—730—10-6-35—GIPS

S.N.8. 24

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 27. 6. 1935.

No. F.321-35.
R.O.I.

A copy of the undermentioned paper~~(s)~~ is forwarded to the Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, for information.

~~for information,~~ ~~in continuation of~~ / ~~with reference to~~ ~~the correspondence ending with~~ (his) ~~Memorandum~~ / letter / ~~endorsement~~ ~~from~~

~~No.~~ ~~, dated the~~

By order, etc.,

Secretary ~~Asst. Secy~~ to the Resident in Mysore and Commissioner of Income-tax.

List of papers.

Central Board of Revenue Circular No.4 of 1935/R.Dis.No.366-I.T./35, dated the 28th May 1935.

S.N-17 25

C.No.7-I.T./35.
CENTRAL BOARD OF REVENUE:
SIMLA, the 7th June 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,
Second Secretary, Central Board of Revenue,

To

The Commissioner of Income-tax,
Bombay.

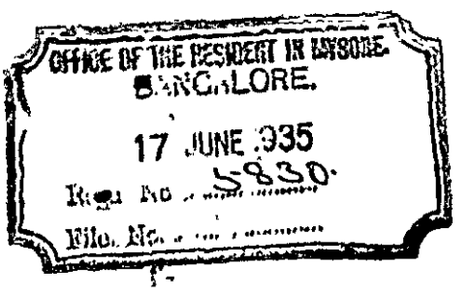
Sir,

Indian Income-tax Act XI of 1922-
Section 60(2) - Relief under -
Sorley (H.T.Mr. I.C.S.), Collector,
Sukkur -.

.....

With reference to the correspondence ending with your letter No.Misc.Refd.13/35, dated the 25th of May 1935, I am directed to say that in all cases where relief under Section 60(2) is sought because of a payment in advance in year 'A' of part of the income that would ordinarily fall due in year 'B', the relief granted in respect of the income of year 'A' must be subject to reduction by the amount of tax by which the assessment of the income of the year 'B' will be reduced below the figure at which it would otherwise have stood, since there is no legal authority for recovering this amount in the assessment (for the year 'C') of the income of the year 'B'. In such cases, therefore, the relief cannot be granted until the assessment (for the year 'C') of the income of the year 'B' has been made or can be accurately foreseen. Accordingly the proposed relief in the case of Mr. Sorley should be withheld till assessment for the year 1935-36 has been completed and the excess tax, if any, which is in equity recoverable for that year is adjusted against the

the refund due to him for the year 1934-35.



I have the honour to be,

Sir,

Your most obedient servant,

Sd/-Ram Nath,

Second Secretary, Central Board of Revenue.

Copy forwarded to all Commissioners of Income-tax for information.

By order, etc.,

M C Khanna
12.6.35

for Second Secretary, Central Board of Revenue.

N. C.
10-6-35.

S.N.18-26

1816/

R.Dis.No.677-I.T/33.

Government of India.

FINANCE DEPARTMENT (CENTRAL REVENUES).

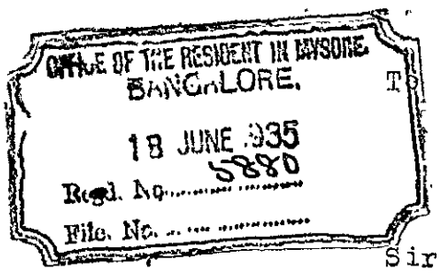
SIMLA, the 11th June 1935.

....

From

A.H. Lloyd, Esquire, C.S.I., C.I.E., I.C.S.,

Joint Secretary to the Government of India



To

The Commissioner of Income-tax,

Central and United Provinces.

Sir,

Appeal-Privy Council-Indian Income-tax Act, XI of 1922- Section 14(1)- Impartible estate- Maintenance allowance-Payment of, by a holder of the estate to a Junior Member of the family- Whether exempt- Section 2(1)-Allowance-Vijyanand-Gajpatiraj Maharaja Kumar of Vizianagram residing at Benares- My letter C.No.677-I.T./33 dated the 16th January, 1935.

....

I am directed to inform you that after considering further materials, including the decision of the High Court at Patna in Miscellaneous Judicial Case No.54 of 1934 (Commissioner of Income-tax, Bihar and Orissa v. Maharajadhiraja Kumar Visheshwar Singh), the Government of India do not wish to proceed with the proposed appeal to the Privy Council. You should therefore take steps to stop the further printing of records and such other measures as you may be advised are necessary to bring the proceedings to a close. The opposite party should also be advised by you of this decision. The Government of India are informing

the .....

Under Secretary of State for India direct.

2. I am further directed to say that in similar cases no attempt should in future be made to raise an assessment against the recipient of an allowance unless the head of the family has made, and has established, the claim that the amount or the allowance ought to be deducted from his own or the family's income before assessment, as in Dudhuria's Case.

I have the honour to be,

Sir,

Your most obedient servant,

Sd/- A.H. Lloyd,

Joint Secretary to the Government of India.

( ) to C.I.T. Bombay only.

Copy forwarded to the other Commissioners of Income-tax (with reference to his letter No. H.C.I.182/34, dated the 25th May 1935) for information and guidance.

By order, etc.,

14-6-35.

Assistant Secretary to the Government of India.

N.P.G.
12.6.35.

S.N.44 27

1816

D.Dis.No.487-I.T/35.

CENTRAL BOARD OF REVENUE.

SIMLA, the 10th June 1935.

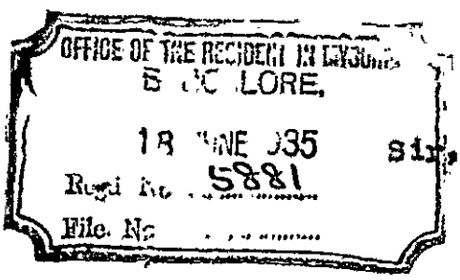
....

From

Rai Bahadur Pandit Ram Nath, B.A.,

Second Secretary, Central Board of Revenue.

To



The Commissioner of Income-tax,

Madras.

Sir,

Form - I.T.101- Demand Notice - Summary assessment - Amendment of-.

With reference to your letter No.389/35, dated the 31st May 1935, I am directed to state that the Board agrees with you and approves the action which you have taken.

I have the honour to be,

Sir,

Your most obedient servant,

Sd/- Ram Nath,

Second Secretary, Central Board of Revenue.

Copy of correspondence forwarded to all other Commissioners of Income-tax.

By order, etc.,

14. 6. 35.

for Second Secretary, Central Board of Revenue.

N.P.G.
13.6.35.

Copy of letter No.389/35, dated the 31st May, 1935, from the Commissioner of Income-tax, Madras, to the Secretary, Central Board of Revenue, Simla.

****

Forms - Demand notice - Summary assessment - (I.T.101) - Amendment of.

******

The heading of the above form which was prescribed in the Central Board of Revenue's Notification No.24, dated 7th May 1932 seems to require some corrections in order to be in conformity with the provisions of the new Finance Act (Indian Finance Act 1935).

I enclose a copy of my circular order sent to all Incometax Officers, C.No.389/35, dated 23-5-1935, for the information of the Board.

******

Copy of Circular order No.389/35, dated the 23rd May, 1935, from the office of the Commissioner of Incometax, Madras, to the Incometax Officers.

****

Forms - Summary assessment-Demand - Notice (I.T.101)-Heading of- Alteration in - Letter No.174/35 dated 13th May 1935 from the Assistant Commissioner, Eastern Range.

****

The heading of the above form should be altered as shown below in all cases of summary assessments made in 1935-36:-

(i) <u>In the case of original assessmen s for 1935-36.</u>

"Notice of Demand under Paragraph (1) of Part III of Schedule II to the Indian Finance Act 1935".

(ii) <u>In the case of an assessment for 1934-35 made in 1935-36.</u>

"Notice of Demand under paragraph (4) of Part III of Schedule II to the Indian Finance Act 1935".

****

S.N. ~~20~~ 28

June '35
20.6.'35
Issued
3/7

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 31 7 *193* 5

No. 321/35/R.C.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commr. of Income-tax, C.& M. Station, Bangalore, for information.

for information, ~~in continuation of~~ / with reference to the correspondence ending with ~~(his)~~

~~Memorandum~~ / letter / endorsement from

~~No.~~ , ~~dated the~~

By order, etc.,

For ~~Secretary~~ / ~~Asst. Secy.~~ to the Resident in Mysore. & Commr. of Income-tax

296

List of papers.

S.N. 17 Letter from the Central Board of Revenue to the Commr. of Income tax, Bombay, C.No. 7-I.T./35, dated the 7th June 1935

" 18 Letter from the Govt. of India, Finance Department (Central Revenues) to the Commr. of Income-tax, Central and United Provinces, R.Dis.No. 677/I.T./35, dated the 11th June 1935

" 19 Letter from the Central Board of Revenue to the Commr. of Income tax, Madras, D.Dis. No. 487-I.T/35, dated the 10th June 1935, with a copy of ~~the~~ / Rc letter to which it is a reply.

19-6-35

S.N.29

R.Dis.No. 497-I.T./35.

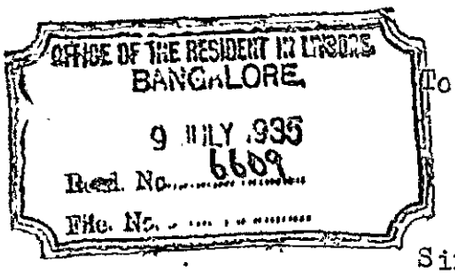
CENTRAL BOARD OF REVENUE.

Simla, the 1st July 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,

Second Secretary, Central Board of Revenue,



To

The Commissioner of Income-tax,

Central and United Provinces.

Sir,

Income-tax appeals - Vakalatnamas - Question whether a fresh vakalatnama is necessary -

I am directed to say that it has been brought to the notice of the Board that the Assistant Commissioner of Income-tax, Northern Division, Jubbulpore, requires fresh vakalatnamas to be filed in appeal cases against the orders of the Income-tax Officers. In this connection, I am to invite your attention to Order III rule 4(3) of the Code of Civil Procedure which lays down that proceedings in appeal shall be deemed to be proceedings in the same suit and to say that on that analogy, the Board thinks that a pleader should not be required to file a fresh vakalatnama when arguing an appeal before the Assistant Commissioner of Income-tax against an order of the Income-tax Officer in proceedings in which the same pleader has filed a vakalatnama.

I have the honour to be,
Sir,
Your most obedient servant,

Sd/- Ram Nath,

Second Secretary, Central Board of Revenue.

Copy forwarded to all other Commissioners of Income-tax, for information.

By order, etc.,

for Second Secretary, Central Board of Revenue.

S.N.22 30

3.7

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 13 ITH July *1935.*

Issued 12.7.35 JM 13/7

No. 321/35/R.O.I

A copy of the undermentioned paper(s) is forwarded to the Asst. Commr. of Income-tax, C.& M. Station, Bangalore, for information.

for information, in continu~~ation~~ with reference to the correspondence ending with (his)

Memorandum / ~~letter~~ / endorsement from

~~No.~~ , ~~dated the~~

By order, etc.,

12.7.35

For Secretary to the Resident in Mysore. & Commr. of Income-tax

~~Asst. Secy.~~

List of papers.

S.N.21 (P.U.C.) Letter from the Central Board of Revenue R.Dis.No.497-I.T/35, dated the 1st July 1935.

12/7

S.N. ~~23~~ 31

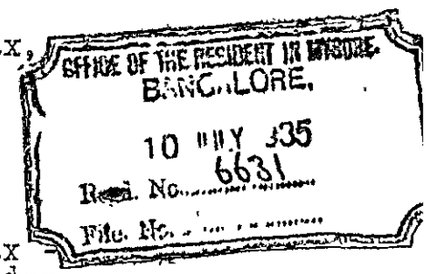
R.Dis.No.527-I.T./35.
CENTRAL BOARD OF REVENUE.
Simla, the 3rd July, 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,
Second Secretary, Central Board of Revenue,

To

The Commissioner of Income-tax,
Burma.



Sir,

Liability to income-tax Advance in United Kingdom of leave pay due after date of disembarkation in India.

With reference to your letter No.7279/2-I-40/35, dated the 10th June 1935 and in amplification of the orders contained in Mr. Sundaram's letter R.Dis.No.931-I.T-28, dated the 4th January 1929, I am directed to say that amounts representing advances made in the United Kingdom to civil officers of Government on leave or duty in that country of pay due after the date of disembarkation in India which are adjusted in India are not exempt from the payment of income-tax.

I have the honour to be,
Sir,
Your most obedient servant,

Sd/- Ram Nath,
Second Secretary, Central Board of Revenue.

Copy forwarded to all other Commissioners of Income-tax, in continuation of the Board's endorsement R.Dis.No. 931-I.T./28, dated the 4th of January 1929.

By order, etc.,

5.7.35

for Second Secretary, Central Board of Revenue.

7.

S.N. 24 32

C.No.382-I.T/35.

CENTRAL BOARD OF REVENUE.

SIMLA, the 4th July 1935.

From

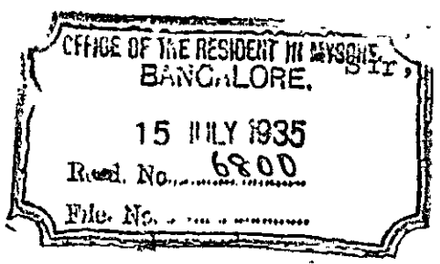
Rai Bahadur Pandit Ram Nath, B.A.,

Second Secretary, Central Board of Revenue,

To

The Commissioner of Income-tax,

Baluchistan.



Sir,

Exemption from payment of income-tax - Consolidated allowance - Officers of Australian Forces under training in India - Elliott (Captain C.M.L.) Australian Staff Corps - Refund of income-tax.

....

S.N. 9 Corr. page 16 (D)

I am directed to refer to my letter C.No. 382-I.T/35, dated the 3rd May 1935 addressed to the Commissioner of Income-tax, Punjab, North-West Frontier and Delni Provinces - copy endorsed to you - from which you will observe that the Government of India have agreed to exempt from the payment of income-tax the consolidated allowance paid to officers of the Australian Forces while under training in India.

2. I am now to enclose a copy of a letter from the Commonwealth of Australia No.U.337/8, dated the 4th February 1935, in which they have asked for the refund of tax charged on the consolidated allowance drawn by Captain C.M.L. Elliott who served in India as a student at the Staff College, Quetta, for the period from February 1932 until 18th January 1934.

The claim.....

The claim of Captain Elliott for refund of tax for the years 1931-32 and 1932-33 is time-barred under section 50 of the Income-tax Act, but I am to request that refund of tax charged in 1933-34 to the extent admissible may be made to Captain Elliott. Claims for refund of income-tax from other officers of the Australian Force charged in 1933-34 or 1934-35 may be disposed of similarly. A copy of the letter from the Controller of Military Accounts, Western Command, No.O/624, dated the 6th April 1935, showing the amount of pay and consolidated allowance drawn by Captain Elliott during 1931-32, 1932-33 and 1933-34 and the tax charged thereon is enclosed for necessary action.

I have the honour to be,

Sir,

Your most obedient servant,

Sd/- Ram Nath,

Second Secretary, Central Board of Revenue.

Copy forwarded to the Army Department.

Copy also forwarded to all other Commissioners of Income-tax for information and guidance.

By. order, etc.,

8.7.35.

for Second Secretary, Central Board of Revenue.

N.P.G.
5.7.35.

Copy of letter No. U.337/8, dated the 4th February 1935, from the Commonwealth of Australia Canberra, to the Secretary, to the Government of India, Army Department, New Delhi.

With reference to the Under Secretary's despatch No.B/30725/1 (A.G.13) of 13th November, 1934, on the subject of the exemption from Indian Income Tax of the consolidated allowance paid to officers of the Australian Staff Corps while in India, I have the honour, by direction, to inform you that Captain C.M.L. Elliott, Australian Staff Corps, served in India as a student at the Staff College Quetta for the period from February 1932 until 18th January 1934. During that period he was in receipt of a consolidated allowance of Rs.544 As.7 per mensem in addition to the pay of his rank as a Captain of the Australian Staff Corps. Captain Elliott has now made representations that during that period full Indian Income Tax, as well as Super Tax, was levied on both the pay of his rank, and the consolidated allowance granted to him whilst he was a student at Quetta. It is understood from represe ntations made by Captain Elliott that the salaries of officers of the British Army in India are exempt from the Super tax levied by the Indian Government but that this exemption was not extended to him.

Captain Elliott advised that during the period of his duty in India the payment of Income Tax and Super Tax on both the pay of his rank and his consolidated allowance involved him in an expenditure of approximately Rs.80 per mensem. He has stated, further, that if Income Tax and Super-Tax had been

charged .....

charged only on his pay of rank and the consolidated allowance had been exempted from taxation, the resulting saving would have considerably relieved him of out-of-pocket expenses in excess of his pay and allowances which he necessarily incurred during his attachment in India.

It would be appreciated if the case of Captain Elliott could receive consideration and reimbusement could be made to him of such portion of the Indian Income Tax and Super Tax as was levied on the consolidated allowance of Rs.544 As.7 per mensem paid to him during his period of duty in India.

....

Copy of letter No.O/624, dated the 6th April 1935, from the Controller of Military Accounts, Western Command, Quetta, to the Adjutant General in India, Army Headquarters, New Delhi

...

Captain C.M.L. Elliott, Australian Staff Corps.
Ref:- Your No.B/33269/1(A.G.13),d/30.3.35.

....

The information called for in the above reference is given below:-

Period	Pay of rank.	Amount of income-tax	Consolidated allowance	Amount of income-tax.	Rate
	Rs. a.	Rs. a.	Rs. as.	Rs. a.	
1931-32	945 4	11 2	597 2	7 0	At pies 2 per rupee plus 12½% surcharge.
1932-33	5730-8-	447-13	6533 4	510 0	At pies 12 per rupee plus 25% surcharge.
(a)	-354-13	-27-11			
1933-34	5358 -15	418-13	5760-8	449-11	-do-
(a)	-549-0	- 42-14			
	11130-14	807-3	12890-14	966-11	

(a) Rebate of income-tax allowed during the years 1932-33 and 1933-34 on insurance premium amounting to Rs.903-13-0 is Rs.70-9-0.

.....

S.N.~~25~~ 33

Closed 17.7.35

Issued K.R.N 22.7.35

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 22nd July *1935.*

No. 321/35/R.C.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commr. of Income-tax, C.&M.Station, Bangalore, for information and guidance.

for information, in continuation of / with reference to the correspondence ending with (his) Memorandum / letter / endorsement from

~~No.~~ ~~d the~~

By order, etc.,

(Sd) A. J. Courtney.

For Secretary / ~~Asst. Secy.~~ to the Resident in Mysore & Commr. of Income-tax.

List of papers.

S.N.~~28~~ 31 (P.U.C.I) Letter from the Central Board of Revenue to the Commr. of Income-tax, Burma, R.Dis.No. 527-I.T./35, dated the 3rd July 1935.

S.N.~~24~~ 32 (P.U.C.II) Letter from -do- -do- - - Baluchistan, C.No. 382-I.T/35, dated the 4th July 1935, with -- enclosure.

17-7-35

S.N. 25 84

C.No.622-I.T./35.

CENTRAL BOARD OF REVENUE.

Simla, the 16th July 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,

Second Secretary, Central Board of Revenue,

To

The Commissioner of Income-tax,

Punjab, North West Frontier and Delhi Provinces.

Sir,

Assessment - 1935-36 - Craik (The Hon'ble Sir H.D.), Home Member -.

24-7-35
OFFICE OF THE RESIDENT IN MYSORE
BANGALORE.
23 JULY 1935
Regd. No. 7077
File. No.

x x x x x x x x

2. The view taken by the ~~incorrect~~ Income-tax Officer, Salary Circle, Delhi, that section 5(5) of the Indian Finance Act, 1935, applies to the assessment of super-tax is entirely wrong. That subsection applies to the assessment of income-tax only on certain kinds of income, including salaries, from which income-tax, but not super-tax, is deducted at source (using that expression loosely to cover the case of Company dividends also). For super-tax assessment during the current year the rates are those given in the Finance Act, 1935 and surcharge on super-tax should therefore have been charged at the rate of 16-2/3% instead of 25%. I am to request that the Notice of demand concerned may be modified accordingly and returned to the Board; and that all similar erroneous demands already issued may be rectified as soon as possible. I am also to request that instructions may be issued to all other Income-tax Officers who may have

committed ....

committed the same mistake.

I have the honour to be;

Sir,

Your most obedient servant,

Sd/- Ram Nath,

Second Secretary, Central Board of Revenue.

Extract paragraph 2, forwarded to all other Commissioners of Income-tax, for issue of instructions to Income-tax Officers concerned, if necessary.

By order, etc.,

18.7.53

for Second Secretary, Central Board of Revenue

K.C.S.
17/7.

S.N.27-35

Issued 25.7.35

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 29-7- *1935.*

Issued KRR 29.7.35.

No. 321/35/R.O.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commr. of Income-tax, C.& M. Station, Bangalore, for information and -- guidance.

for information, ~~in continuation of~~ / ~~with reference to~~ the correspondence ending with ~~(his)~~

~~Memorandum~~ / ~~letter~~ / ~~endorsement~~ from

~~No.~~ ~~, dated the~~

By order, etc.,

(Sd) A.J. Courtney.

For ~~Secretary~~ / ~~Asst. Secy.~~ to the Resident in Mysore. & Commr. of Income-tax

29.7.35

List of papers.

S.N.26 U.C.) Extract of para 2 of letter from the Central Board of Revenue to the Commr. of Income-tax, Punjab, North West Frontier and Delhi Provinces, ~~Max~~ C.No.622-I.T/35, dated the 16th July 1935.

24-7-35

Sd 27/7/35

S.N. 36

D.Dis.No.600-I.T/35.
CENTRAL BOARD OF REVENUE.
SIMLA, the 3rd August 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,
Second Secretary, Central Board of Revenue,

To

The Accountant-General, United Provinces.

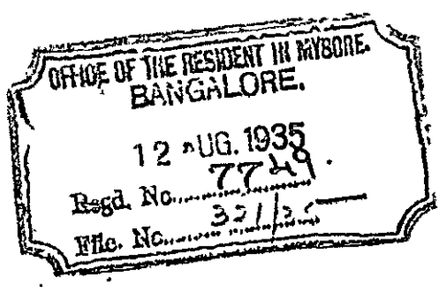
Sir,

Budget notes - Demand - Discrepancies in closing balances for previous year with opening balances of following year- Audit objection.

.....

With reference to your letter No.Bt./317, dated the 5th July 1935, I am directed to say that the Board has decided that the figure of the opening balance relating to the Accounts of the Income-tax Department exhibited in the Budget notes should represent the figure of the closing balance of the previous year as modified on appeal or revision. This has the approval of the Finance Department.

I have the honour to be,
Sir,
Your most obedient servant,



Sd/- Ram Nath,

Second Secretary, Central Board of Revenue.

Copy, with a copy of the letter replied to, forwarded to the Commissioners of Income-tax for information and guidance.

By order, etc.,

for Second Secretary, Central Board of Revenue.

S/5.

Copy of letter No.Bt./317, dated the 5th of July 1935, from the Accountant-General, United Provinces, to the Secretary, Central Board of Revenue, Simla.

I have the honour to refer for your decision and orders a case regarding discrepancies in the figures of closing balances for the previous year with those of the opening balances of the following year relating to the Accounts of the Income-tax Department of these Provinces. Every year the Commissioner of Income-tax, Central and United Provinces, is required to furnish to this office budget statistics, in the form herewith enclsed, for inforporation in the budget notes submitted to the Government of India, Finance Department. In the figures furnished by him previous years up to 1932-33 the amount of opening balances shown in the column "Accounts" always agreed with those of the closing balances of previous years as will be seen from the figures noted in the margin. In the figures for the accounts 1933-34 furnished by the Commissioner of Income-tax for inforporation in the budget notes for the current year the amounts of opening balances did not however agree with those of the closing balances for the accounts for 1932-33. He was, therefore, requested to reconcile the discrepancies on the ground that it was against the fundamental principle of accounting to alter the closing balance of a year the accounts of which had finally closed. But he has expressed his inability to remove the discrepancies as he is of opinion that this closing balance is liable to change due to writes off, reduction or enhancement of arrear demands, which constitute the closing balance. In this connection copies of his letters Nos.761-15/34, and 761-20/34, dated March 1 and May 22, 1935, respectively are herewith enclosed for your information. It would have been more in consonance with the accounting principles if these alterations could be taken into account in the figures against the head "demand"

	Accounts 1929-30	Accounts 1930-31	Accounts 1931-32	Accounts 1932-33	Accounts 1933-34
Super Tax					
Opening Balance	121	270	180	182	80
Closing Balance	270	180	182	126	162
Income Tax					
Opening Balance	216	279	368	643	600
Closing Balance	279	368	643	728	859

without altering those against "Opening Balance". This was suggested to the Commissioner but he could not agree to it for the reasons given in his letter dated March, 1, 1935, quoted above. In the circumstances I am to enquire if such discrepancies may be accepted and a note explaining them inserted in the budget notes for the information of the Government of India, Finance Department. As the form in which budget figures should be presented is finally decided by the Finance Department of the Government concerned. I would suggest that your decision may kindly be communicated with the approval of the Finance Department of the Government of India

S. N. 37

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 31. 8. 1935.

No. F.321/35/R.C.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commr. of Income-tax, C.& M. Station, Bangalore, for information.

for information, in continuation of / with reference to the correspondence ending with (his)

Memorandum / letter / endorsement from

~~No.~~ , ~~dated the~~

By order, etc.,

(Sd) A. J. Gourlay.

For Secretary / ~~Asst. Secy.~~ to the Resident in Mysore. & Commr. of Income-tax

List of papers.

S.N.36 (P.U.C.) Letter from the Central Board of Revenue, D.Dis.No. 600-I.T/35, date the 3rd August 1935, together with a copy of that to which it i a reply.

20.8.35

S. N. 38

151

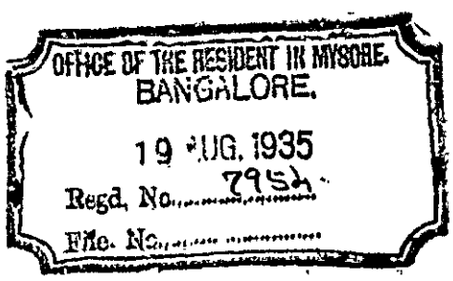
(1) 7/2

D.A.Dis.No.613-I.T./35

CENTRAL BOARD OF REVENUE.

SIMLA, the 9th August 1935.

A copy of the undermentioned papers is forwarded to all Commissioners of Income-tax for information.



By order, etc.,

12-8-35

for Second Secretary, Central Board of Revenue.

LIST OF PAPERS FORWARDED.

Letter from the Government of India, Army Department, to the Military Accountant-General, No.B-33314/1/A.G.13, dated the 11th July 1935, and enclosures.

N.C.
10-8-35.

Regr.No.2446-A(A.D.5). No.B-33314/1/A.G.13.

Government of India.

ARMY DEPARTMENT.

Simla, the 11th July 1935.

To

The Military Accountant-General.

Adjustment of income tax in the cast of Indian Army Officers serving under the Imperial Government at Hong-Kong.

Sir,

I am directed to forward a copy of India Office letter No. F.827/35, dated the 12th February 1935, and its enclosures, from which it will be seen that difficulties have arisen regarding certain re-adjustments of the income tax recovered at Indian rates for credit to Imperial Funds from Indian Army officers serving under the War Office at Hong-Kong. Since the amounts so recovered are not credited to Indian Revenues, the Indian income tax authorities are unable to deal with any claims arising out of those recoveries. The Commissioner of Income Duty, War Office now requests that arrangements may be made in India to deal with all such claims, payment on account of income tax to His Majesty's Government being reduced by the amount of any refunds allowed. The Government of Indiahave, therefore, decided that, in respect of income tax claims preferred by Indian Army Officers serving at Hong-Kong, all Controllers of Military Accounts will be invested with thepowers at present exercised by Income Tax Officers in respect of claims presented by individuals subject to the Indian Income Tax Act. The Controllers will consult the nearest Income tax Officer in doubtful cases.

2. The claims which gave rise to the enclsed correspondence will be dealt with in accordance with these instructions.

I am, Sir,

Your most obedient servant,

Sd/- S.S. Ghosh,

Assistant Secretary to the Government of India.

Copy of the above forwarded to the Financial Adviser, Military Finance, with reference to his u/o No.2263-P.A. of 1935, for communication to the Military Accountant General, the Director of Army Audit, the Controller of Military Accounts and Pensions with reference to his memorandum No.I.9051, dated the 13th March 1935, to the Military Accountant General, and to all other Controllers of Military Accounts; and the Central Board of Revenue.

Sd/- S.S. Ghosh,

Assistant Secretary to the Government of India.

Copy of a letter from the Financial Secretary, India Office, Whitehall, London, S.W.1, to the Secretary to the Government of India, Army Department, No.F.827/35, dated the 12th February 1935.

Liability to income-tax of Indian Army officers serving at Colonial stations under the War Office.

I am directed to refer to the Secretary of State's Financial Despatch No.10, dated 3rd March, 1916, and previous correspondence on the above subject, and to forward copies of the marginally noted correspondence from which it appears that difficulties have recently arisen in the administration of the arrangements made in the former correspondence. These difficulties seem to be largely the result of misapprehension of the nature of those arrangements, though there may also be some defect in the procedure laid down for their administration.

From Office of 3rd Battalion 9th Jat Regiment to Commissioners of Income Duty, War Office, dated 13th August 1934.
From Office of Controller of Military Accounts and Pensions, Lahore, to Commissioners of Income Duty, War Office, dated 2nd October 1934.
From Commissioners of Income Duty, War Office, to Commissioners of Income Tax, India Office, dated 29th October 1934.

I am to suggest that the necessary steps should be taken by the Army Department to rectify the position.

No.Accts/1/349.
Office of the 3rd Bn.9th Jat Regiment.
JHELUM, 13th August 1934.

To

The Commissioner of Income Duty,
War Office, S.W.1., London.

Through

The Controller of Military Accounts, Eastern Command, Meerut.

Subject:- Refund of Income-tax to Officers of the Indian Infy. stationed at Hong-Kong.

.....

1. Copy of a memo.No.Sec.2/Allowances dated 26-2-34 from the Command Pay Master, Hong-Kong.
2. Copy of a memo.No.I/3789, dated 9-7-34, from the C.M. A., E.C.Meerut, together with enclosure.
3. Copy of this Office No.Accts/1/288, dated 16-7-34 to the C.M.A., E.C., Meerut.
4. Copy of a memo.No.I/3789, dated 4-8-34 together with the enclosure.

Forwarded for favour of necessary action and authorising the refund of Income-tax due to the Officers. Your No. B.M. 1371/33 (I.D.) dated 9-12- 33, refers.

T.G. Lewis, Major,

Offg. Commandant 3rd Bn. 9th Jat Regt.

Copy forwarded to the Income-tax Officer, Military Circle, Meerut

1. Copy of letter No.Section 2/Allowances dated 26-2-34, from the Command Pay Master Hong Kong, to the Officer Commanding 3rd Bn., 9th Jat Regiment, Jhelum.

With reference to the attached, it is regretted that, as stated in my letter number as above dated 12-9-33, refunds of Income Duty cannot be authorised by this Office.

The Commissioners of Income Duty, in their letter No.B.M. 1371/33(i.D)(copy attached)dated 9-12-33, state that the "paying authorities of the Force" should authorise any refunds admissible, after ensuring that reliefs would have been allowable had the officers been liable to Indian Income tax under the Indian Income Tax ~~Accounts~~ Acts.

The terms "Paying authorities of the Force" and (later in the letter) "the Paymaster", cannot refer to this Office, but must indicate yourself, or your Controller of Military Accounts, as the Pay of Officers of your Unit, in Hong Kong, was issued by you through your own accounts, and was not authorised by me.

Sd/- * * * Command Pay Master.

Copy to :- Commissioners of Income Duty, The War Office, to note action taken in reply to a request from the O.C.3/9th Jat Regiment for authority for refunds".

---

2. Copy of a memo.No.I/3789, dated 9-7-34, from the C.M.A., Meerut to the Officer Commanding, 3rd Bn., 9th Jat Regt.,Jhelum.

Subject:- Refund of Income-tax etc. to certain officers of the Regiment under your command.

Reference:- Correpondence ending with this office No.I/3789. dated 25-5-34.

(1) It is regretted that this office is not in a position to allow cash refund of income-tax in respect of income-tax recovered during previous financial years. Excess recoveries of income-tax can only be re-adjusted by this office if the excess recoveries are claimed before the close of the year in which the income tax was recovered.

(2) As regards abatement of income-tax on life insurance premium it can only be admitted by this office if the rebate is claimed during the financial year within which the premium is paid or whenever the premium in respect of which abatement is claimed has been paid within six calendar months ending with the close of the month for which the salary is drawn.

(3) As the premia were paid on 15-1-32.23-11-1933,21-11-33 this office is not competent to deal with the claims. These were accordingly forwarded to the Income Tax Officer, Military Circle Meerut, for authorising the refund as the final adjustment of income-tax in respect of previous financial years rests on him.

A copy of his memo. C.N.45-33, dated 25-5-34, to the Income-Tax Officer, Military Circle, Lahore, and the Income-Tax Officer, Rawalpindi, No.G-D/3637, dated 9-6-34, to this Office in reply thereto are enclosed for information.

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(4) In the circumstances stated above no rebate of income-tax can now, it is regretted, be authorised by this Office. This premium receipt dated 2-2-34 in respect of Major J.Lothian may however be made over to your Unit Accountant for necessary adjustment. The premia receipts and statements for refund of income tax in respect of the officers concerned are returned herewith.

(5) It may however be mentioned that had the claims been submitted in time to this office as explained above the amount that would have been passed on account of refund and rebate of income tax are detailed below:-

Refund of income-tax.

Major J.Lothian.	Rs. 38-13-0 as claimed
Lieut..H.E.Syer.	Rs. 24-24-0 ?

Rebate on Life Insurance Premia

Captain J.J. Waite	Rs.16-0-0 (on £19-5-0 @ 1/-per Re.
Major J. Lothian	Rs.22-3-0 (on £29-10-0 & £6-0-10 @ 9 pies a Re.)

It is observed that recovery has not been effected on account of income tax on Rs.386/4/- in the pay bill of Major J.R.A. Henery for December 1932 as shown in his claim, hence no refund on the above amount is admissible to him.

(6) This also disposes of your No.AC/1/198, dated 12-6-34".

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(3) Copy of a letter No.Accts/288, dated 16th July 1934, from the Officer Commanding 3/9th Jat Regt., Jhelum to the C.M.A., E.C., Meerut.

"Subject:-Refund of Income tax etc. to certain officers of 3rd Bn. 9th Jat Regiment.

Reference your No.I/3789, dated 9-7-34 (enclosures returned herewith).

As the officers in question were overcharged income tax refund can either be authorised by you or by the income tax authorities. In the present case, cash refunds are to be made by the Income tax Officer Military Circle Meerut.

2 & 3 noted. As the premium receipts were received late by the officers, the rebate could not be claimed during the financial year within which the premium were paid. If the accounts for 1933-34 have not been finally closed, rebate of income tax in respect of premia paid on 23-11-33 can be allowed by the Income Tax Officer Military Circle Meerut.

4. Major J. Lothian is on 12/months combined leave ex-India from 7-10-33, rebate of income tax on his premia receipt dated 2-2-34 cannot be allowed through the pay bills as it can only be allowed within the period stated in para.2 of your memo. under reference. As such refund of income-tax should therefore be authorised.

5. From the correspondence on record in this office it appears that the claims were submitted in time.

(1) Prudential Assurance Co. receipt d/-15-1-32 for £19-5-0 of Captain J.J. Waite was submitted to the Income tax Officer Mily. Circle Meerut under No.Accts.-2127.

2127, dated 7-11-32.
(2) As regards the refund of income tax overcharged from Lieut. H.E. Syer for 1932-33, please see this office No.Accts/2341, dated 30-3-33 to your address.
(3) As regards the refund due to Major R.J.Henery, please see your No.I/3789, dated 9-5-33.

(4) Income tax on Rs.386/4 was recovered from Major J.R.A. Henry through the Pay bill for 12/32.

Please see remarks given in the enclosed true copy of the pay bill.

(4) Copy of a letter No.I/3789, dated 4-8-34 from the C.M.A., Eastern Command, Meerut to the Officer Commanding, 3rd Bn. 9th Jat Regiment, Jhelum.

"Subject:- Refund and rebate of income tax in respect of certain officers of 3rd Bn., 9th Jat Regiment.

Reference:- Your memo.No.Accts/I/288, dated 16-7-34 (enclosures returned).

The circumstances in which no adjustment can be made by this office has already been explained in this Office memo. No.I/3789, dated 9-7-34. Any claim for refund on this account may therefore be submitted to the income-tax authorities concerned. In this connection a reference is however invited to letter No.C.45-33, dated 11-8-33, from the Income Tax Officer, Military Circle, Meerut, to this Office (a copy of which was forwarded to you at Hong Kong in continuation of his even number dated 26th June 1933, and the Income Tax Officer, Rawalpindi, No.G-1/3637, dated 9-6-34, to this office (attached as an enclosure).

2. The rebate on premium receipt dated 2-2-34 of Major J. Lothian could only be adjusted by deduction from his income-tax had he been in payment of this office. As he is not in payment of this office no action can, it is regretted, be taken. A reference to Income Tax Officer in this connection is also suggested.

3. Reference is also invited to the Commissioner of Income Duty, War Office, S.W.1, No.B.M.1371/33(I.D), dated 9-12-33 (attached as an enclosure) with reference to which, it is presumed, that final adjustment will be made by that officer.

4. This also disposes of your memo.No.Accts./1/319, dated 30th July 1934.

Copy of a letter from the Controller of Military Accounts and Pensions, Lahore, to the Clerk to the Commissioner of Income duty, War Office, London, dated the 2nd October 1934.

REFUND OF INCOME TAX.

I have the honour to state that the marginally noted officers who are serving with the 1/8th Punjab Regiment Hong Kong have submitted claims for refund of Income Tax in respect of life insurance premia paid by them during the previous financial year. Income tax is recovered from these officers at Indian rates under arrangements made by the War Office, but the amount of Income Tax recovered from them is credited by this office to His Majesty's Imperial Government.

Major M.H.A.Campbell
Major F.C. Booty.

Under the Indian Income Tax rules abatements on account of insurance premia for the previous financial year not claimed in salary bills within six months of the date of payment are allowed by the Income Tax authorities when finally assessing the income of the individuals concerned.

As however income tax recovered from the officers referred to above is not credited to Indian revenues the Income Tax authorities in India would not be able to deal with their claims.

In the above circumstances I forwarded herewith the premium receipts on which refund of Income Tax has been claimed by the officers for favour of obtaining orders of the Commissioner of Income duty, War Office and communicating their decision in the matter to this Office.

Copy for information to the O/C 1/8th Punjab Regt., Hong Kong with reference his No.Accts.240 d/- 12/9/34.

Copy of a letter from the Clerk to the Commissioners of Income Duty, War Office, S.W.1, to the Clerk to the Commissioners of Income Tax, India Office, Whitehall, S.W.1, dated 29th October 1934, No.48/Gen./5593 (I.D.).

With reference to annexed copies of correspondence regarding refund of Income tax to Officers of the Indian Infantry, stationed at Hong Kong, I am directed to request that you will be good enough to arrange for any refunds admissible to the officers concerned and to reduce accordingly the payment to this Office of the amount credited in Indian schedules in respect of Indian Army Officers serving at Hong Kong.

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 20/9/ 1935.

No. F.321/35/R.O.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commissioner of Income-tax, C.& M. Station, Bangalore, for information.

for information, in continuation of / with reference to the correspondence ending with (his) Memorandum / letter / endorsement from

No. , dated the

By order, etc.,

(Sd) A.J. Courtney

For Secretary to the Resident in Mysore. & Commr. of Income-tax.

List of papers.

Encl. to S.N.38 P.U.C.

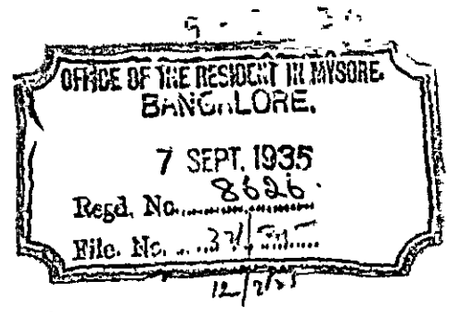
Letter from the Govt. of India, Army Department to the Mily. Accountant General, No.B-33314/1/A.G.13, dated the 11th July 1935, and enclosures.

S. N. 40.

63

Circular No. 5 of 1935.
C. No. 834-I.T.|34.

CENTRAL BOARD OF REVENUE.



Simla, the 20th August 1935.

1
321/35

CIRCULAR.

SUBJECT :—*Information—Cochin income-tax—Persons residing in British India—Information regarding income of—Communication of, to Cochin authorities.*

In order to enable the Cochin State Income-tax authorities to deal with applications for refund of Cochin income-tax from persons residing in British India, the Commissioners of Income-tax are requested to instruct Income-tax Officers :—

(1) to inform the Cochin State Income-tax authorities at their request whether a person has been assessed or declared not liable or has neither been assessed nor declared not liable to income-tax in British India ;

(2) to furnish to the Cochin State Income-tax authorities on the request of a person who has been assessed or declared not liable to tax in British India, any information that may be available as to his total income in Cochin State ;

(3) to furnish the Cochin State Income-tax authorities with information in regard to the total Cochin income of residents in British India who have neither been assessed nor declared not liable to tax in British India, and in regard to the determination of whose income in British India no proceedings under the Indian Income-tax Act are pending. In such cases there would be no assessment proceedings in British India and the Income-tax Officers can furnish such information without offending against section 54 of the Act or the principles underlying it.

31-8-35
Second Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

L82CBR—600—30-8-53—GIPS

S.N.41

64

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 26th September 193 5.

No. F.321-35.
R.&.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, for information.

~~for information, in continuation of the correspondence ending with (his) with reference to~~
~~Memorandum~~
~~letter~~ ~~from~~
~~endorsement~~

~~No~~ , ~~dated~~ ~~the~~

By order, etc.,

(Sd) A.J. Courtney

for Secretary ~~Asst. Secy.~~ to the Resident in Mysore.
&
Commissioner of Income-tax.

List of papers.

21.9.35

S.N.40 p.4.c. Central Board of Revenue Circular No.5 of 1935/C.No.834-I.T./34, dated the 20th August 1935. (with 3 spare copies)

20/9/35.

S.N. 41 / R.F. 31-40 S.N. 42
Superseded by Circular No. 45 of 40

321/35

OFFICE OF THE RESIDENT IN MYSORE, BANGALORE.
23 SEPT. 1935
Regd. No. 9217
File. No.

CIRCULAR NO. 6 OF 1935.
R. DIS. NO. 325-I.T./35.

CENTRAL BOARD OF REVENUE.

Simla, the 9th September, 1935.

CIRCULAR.

Non-residents—Assessments and refunds to—Procedure.

Board's Circular No. 6 of 1932/R. Dis. No. 28-I.T./32, dated the 15th March 1932.

In supersession of the procedure for the assessment of and refunds to non-residents laid down in the circular quoted above, the Board prescribes the following procedure to be adopted in future :—

(*i*) Non-residents whose income arises in more than one province and who

Encl. to S.N. 57 C.F. 94

At the end of paragraph 1 (i) of the Board's Circular quoted above after the words "or under section 49 of the Indian Income-tax Act, 1922." *add* the words "or under any Notification issued by Government under section 60(1) of the said Act, providing for relief on account of double payment of income-tax."

S.N. 42 F. 97-37

At the end of sub-paragraph (i) of paragraph 1 of the Board's Circular quoted above, add the following. Vide S.N. 42 F.97-37

"In the case of such non-residents any part of whose income is derived from horse-racing, the Income-tax Officer, the Poona, shall be assessing Officer".

name under section 42 or where he resides, as the case may be. It should be noted that Sections 42 and 43 do not apply to income-tax which has already been recovered from a company or registered firm, although they apply to the levy of super-tax on income of a non-resident which consists of dividends from such a company or a share in the profits of such a firm. Income-tax Officers should, therefore, decline to appoint statutory agents for non-residents who are not liable to super-tax and whose income is confined to shares in registered firms or dividends of companies.

(*iv*) When an Income-tax Officer starts assessment proceedings against a non-resident, he should inform him or his agent that if the non-resident is entitled to any refund under section 48 or section 49 he must fill in the necessary forms including the return of world income. If a statutory agent wishes to make such a claim for refund on behalf of the non-resident who is being assessed through him, he should be required to show that he has been duly authorised in proper legal form to send the necessary forms so that his act will bind his principal (*see* paragraph 90, Income-tax Manual). Subject to the satisfaction of this condition the assessing Income-tax Officer, if he is not himself the Income-tax Officer, Non-residents Refund Circle under clause (*i*) above, may undertake himself to forward the claim for refund to the Income-tax Officer, Non-residents Refund Circle; and in that case should refrain from collecting so much of the tax as is due through direct assessment until he has been informed by the Income-tax

Officer, Non-residents Refund Circle, that the refund is passed for payment and has been requested by that officer to adjust it against the direct assessment under section 49-A of the Act. If the assessee does not apply for any refund, the assessing Income-tax Officer should assess him without allowing any adjustment and recover the tax. If the assessee applies for a refund subsequently, the Income-tax Officer, Non-residents Refund Circle, should consult the assessing Income-tax Officer and should not make the refund unless the tax due has already been paid in full or the assessee has expressly asked that it should be set off against the tax due and has paid the balance of the tax due.

(*v*) When direct assessment is being made and a claim for refund under Section 48 in respect of income from which tax has been deducted under section 18 is being dealt with at the same time under the preceding clause, the Income-tax Officer must take the refund into account in allowing credit under section 18(5); but he must remember that when there is any chargeable income other than that in respect of which tax has already been deducted under section 18, the effect of section 18(5) will be to allow (*up to the limit of that chargeable income*) further relief beyond that justified by section 48, becuase the calculations to be made under that sub-section have to be worked out with reference to the party's Indian income and there is no authority, as the law stands, for limiting the relief, as in section 48(4), to that calculated with reference to his world income or for withholding relief entirely as in section 48(5).

2. Nothing in this Circular is to be read as detracting from the force of the instructions contained in Memorandum C. No. 443-I.T./35, dated the 29th May 1935.

17.5.35.

Second Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

M91CBR—730—16-9-35—GIPS

S. N. 43.

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 3nd ~~September~~ Oct. *1935*

No. F.321-35.
R.O.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, for information.

for information, in continuation of the correspondence ending with ~~(his)~~ with reference to
Memorandum / letter / endorsement from

No. , dated the

By order, etc.,

for (Sd) A. J. Courtney.
~~Asstx Secy.~~ Secretary to the Resident in Mysore. & Commissioner of Income-tax.

List of papers.

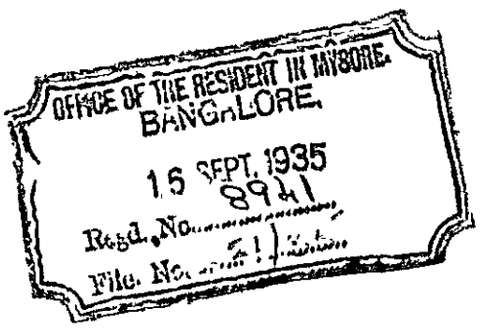
S.N.42 P.W.C. Central Board of Revenue Circular No.6 of 1935/R.Di No.325-I.T/35, dated the 9th September, 1935. (with three spare copies).

S.N.44.

D.Dis. 667-I.T./35.

Central Board of Revenue.
SIMLA, the 9th September, 1935.

My dear Johnston,



INCOME-TAX APPEALS - VAKALATNAMAS - QUESTION WHETHER A FRESH VAKALATNAMA IS NECESSARY.

Your Demi-official No.6039-C.T./4P/5, dated the 29th July, 1935, addressed to Rai Bahadur Pandit Ram Nath.

We have considered this matter and, in view of the very vague character of the requirement made by section 61 for the production of an authority in writing, our conclusion is that, when a pleader who has filed a vakalatnama in order to appear before an Income-tax Officer wishes to argue an appeal before the Assistant Commissioner of Income-tax in the same case, it is enough that he should satisfy the Assistant Commissioner that he has authority to present the appeal also, without actually submitting a fresh vakalatnama.

Yours sincerely,

Sd/-A.H. Lloyd.

W.Johnston, Esquire, I.C.S.,
Commissioner of Income-tax,
Bengal, Calcutta.

Copy of correspondence forwarded to all other Commissioners of Income-tax.

By order, etc.,

Ram Nath

Second Secretary, Central Board of Revenue.

N.C.
11-9-35.

Copy of demi-official letter No.6039C.T./4P/5, dated the 29th July, 1935, from the Commissioner of Income-tax, Bengal, Calcutta, to Rai Bahadur Pandit Ram Nath, B.A., Second Secretary, Central Board of Revenue, Simla.

Income-tax appeals - Vakalatnamas - Question whether a fresh vakalatnama is necessary. Your R.Dis.No.497-I.T/35, dated the 1st July, 1935.

S.N.29 of C.I.44

Please refer to your letter quoted above in which attention is invited to Order III rule 4(3) of the Code of Civil Procedure which lays down that proceedings in appeal shall be deemed to be proceedings in the same suit and on that analogy the Board thinks that a pleader should not be required to file a fresh vakalatnama when arguing an appeal before the Assistant Commissioner of Income-tax against an order of the Income-tax Officer in proceedings in which the same pleader has filed a vakalatnama. In this connection our legal adviser writes-

> "So far as proceedings under the Income-tax Act are concerned we cannot ignore sections 61 & 54 of the Income-tax Act in this connection. It seems that when a pleader is appearing in an Income-tax matter the extent of his authority must be determined with reference to the terms of the written authority, be the same a vakalatnama or any other document. Whether he can appear, act, and plead at any particular stage will, in my opinion, depend upon the terms of his authority as contemplated by Section 61."

I understand this to mean that a vakalatnama or authorisation filed at the assessment stage does not automatically entitle the pleader filing such a vakalatnama or authorisation to act and plead at the later stages also unless there is a specific or at any rate an implied authorisation to that effect in the power filed at the initial stage. In other words the present instructions of the Board should be read as subject to the provisions of Section 61 of the Act. Is this the correct view?

N.C.
12-9-35.

S.N 45.

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 23rd October 1935

1. Issued R.R.N 28.4.'35.

No. F.321-35.
R.O.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, for information & guidance.

~~for information, in continuation of with reference to the correspondence ending with (his) Memorandum letter from endorsement~~

~~No. , dated the~~

By order, etc.,

5/10/35

for Secretary to the Resident in Mysore.
~~Asst. Secy.~~ & Commissioner of Income-tax.

List of papers.

D.O. letter from the Central Board of Revenue to the Commissioner of Income-tax, Bengal, Calcutta, D. Dis. No.667-I.T./35, dated the 9th September, 1935, with a copy of that to which it is a reply.

4/X/35. 4.X.'35

S·N·46

D.A.Dis.No.587-I.T./35.
CENTRAL BOARD OF REVENUE.
SIMLA, the 21st August 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,

Second Secretary, Central Board of Revenue,

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
7 SEPT. 1935
Regd. No. 8671
File No. 321/35.

To

The Commissioner of Income-tax,

Punjab, North West Frontier and Delhi Provinces.

Indian - Nil

Sir,

Exemption from income-tax - Indian allowance - Omar Ali (2nd Lieut) - Iraq Army -.

I am directed to enclose an application from 2nd Lieut; Omar Ali, Iraq Army, attached to the 1st Bn., the Duke of Cornwall's Light Infantry, together with a copy of the Controller of Military Accounts, Northern Command's letter No.B./5555, dated the 19th October 1934, and to say that the Board has held that the Indian allowance of Rs.350/- per mensem drawn by this officer falls under section 4(3) (vi) of the Indian Income-tax Act, 1922, and is therefore exempt from the payment of Indian Income-tax.

I have the honour to be,
Sir,
Your most obedient servant,

Sd/-Ram Nath,

Second Secretary, Central Board of Revenue.

Copy forwarded to the Army Department, for information.

Copy also forwarded to other Commissioners of Income-tax, for information and guidance.

By order, etc.,

31.8.35

for Second Secretary, Central Board of Revenue.

N.C.
27-8-35.

Copy of application dated the 15th February 1935, from 2nd Lieutenant Omar Ali, Iraq Army, attached 1st Battalion the D.C.L.I. Regiment, to the Adjutant 1st Battalion the D.C.L.I. Regiment, Razmak.

Subject:- Taxes.

I have the honour to request you that this my application for refund of income-tax be placed before the Commanding officer for his consideration and forwarding to higher authority. I am in receipt of my pay as a 2nd Lieutenant in the Iraq Army and also an additional allowance granted to recompense for the increased expenditure during attachment to a foreign army, according to Iraq army pay warrant I pay income-tax on my pay (see pay certificate) this being deducted in arrears and on the same authority my allowance is paid free of incometax. But inspite of the pay certificate sent by the Iraq Government to the Government of India my pay and additional allowance both are subjected to Indian income-tax, as I am paying income-tax to Iraq Government my pay and allowance should not be taxed by the Indian Government, and that I am therefore entitled to refund of the sum paid in Indian income-tax during my attachment. I enclose herewith my pay certificate which clearly shows my liabilities.

N.C.
27-8-35.

LAST PAY CERTIFICATE IN RESPECT OF
2/LIEUTENANT. OMAR ALI.

1. 2/Lieutenant. Omar Ali despatched to India for training in Mountain Warfare has received his salaries and allowances up to the 31st. August. 1934 and is due for salary as from 1st. September 1934 as follows:-

Monthly.

Salary ----	I.D. 16/150	---	Rs.215.	5. 0.
Pensions				
Stoppages ---	I.D. 1/009	---	Rs. 13.	7. 0.
Net --	I.D. 15/141	---	Rs.201.	14. 0.

2. Income Tax that should be deducted from his salaries:-

January - 1935 -	I.D. 0/435	---	Rs. 5.	12. 0.
February- 1935 -	I.D. 0/908	---	Rs.12.	2. 0.
March - 1935 -	I.D. 0/909	---	Rs.12.	2. 0.
Total ---	I.D.2/252.		Rs.30.	0. 0.

3. He should be paid an additional allowance of Rs.350/-/- per month with effect from the date he joined the course up to the date on which he leaves it.

Razmak.

_____ 1935.

_____
Military Accountant.

N.C.
27-8-35.

Copy of letter No.B/5555, dated the 19th October, 1934, from the Deputy Assistant Controller of Military Accounts, Rawalpindi, to the Officer Commanding, 1st Bn; The Devonshire Regiment, Razmak.

MEMORANDUM.

Reference your memo No. Accts/1/967 dated 6th October, 1934, regarding recovery of income-tax from 2/Lt. Omar Ali, Iraq Army.

The amount shown on the L.P.C. are recoverable on account of income-tax during January, February and March, 1935 should, it is considered, be recovered in addition to the Indian income-tax, in the absence of any specific instructions on the subject to the contrary. In this connection please refer to para. 4, Chapter I, Income Tax Act, 1922, reproduced in Appendix II, Financial Regulations, Part II, which lays down that this Act shall apply to all income, profits, etc., received in British India. The amount already shown on the L.P.C. on this account appears to represent income tax recoverable under the rules of the Iraq Government.

The point as to whether or not the additional allowance at Rs.350/- per mensem is taxable is one to be settled between you and the Income Tax Officer and not by this office, vide India Army Order No.778, dated 14.12.32 and Northern Command Administrative Instruction No.20/1 dated 17.5.33 and the matter may please be referred to that officer.

N.C.
27-8-35.

S.N.48

72

D.Dis.No.76C-I.T./35.
GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES).
Simla, the 24th September 1935.

From

A.H.Lloyd, Esquire, C.S.I., C.I.E., I.C.S.,
Joint Secretary to the Government of India,

To

All Commissioners of Income-tax.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
30 SEPT. 1935
Regd. No. 9418
File. No. ....

Sir,

Exemption from income-tax - Abyssinian contingent - Pay and allowances of -.

I am directed to say that the Government of India have decided that Indian income-tax should not be charged on the pay and allowances drawn in British India by the members of the Abyssinian Contingent in respect of their service outside India.

I have the honour to be,
Sir,
Your most obedient servant,

25-9-35
Joint Secretary to the Government of India

Copy forwarded to the Army Department, Financial Adviser Military Finance and the Military Accountant-General.

By order, etc.,

25-9-35
Assistant Secretary to the Govt. of India.

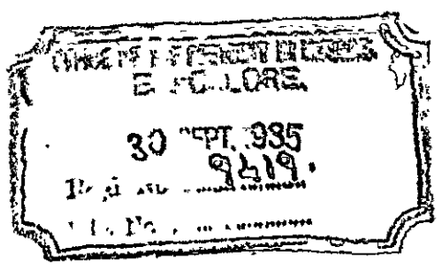
"K"24/9.

S.N.49

73

D.Dis.No.773-I.T./35.
CENTRAL BOARD OF REVENUE.
SIMLA, the 23rd September 1935.

A copy of the undermentioned papers is forwarded to all Commissioners of Income-tax.



By order, etc.,

23.9.35

for Second Secretary, Central Board of Revenue.

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1. Memorandum from the Hon'ble the Agent to the Governor General in Rajputana, to the Government of India, Foreign and Political Department, No.1562/167-P/35, dated the 24th August 1935.

2. Letter from the Government of India, Foreign and Political Department, to the Hon'ble the Agent to the Governor General in Rajputana, No.F.198-I.B./35, dated the 17th September 1935.

****

N.C.
24-9-35.

Copy of letter No.F.198-I.B./35, dated the 17th September 1935, from the Deputy Secretary to the Government of India in the Foreign and Political Department, Simla, to the Hon'ble the Agent to the Governor General in Rajputana.

Information regarding income to be declared to Income-tax Officers by Indian States.

With reference to your memorandum No.1562/167-P/35, dated the 24th August 1935, I am directed to say that as immovable property held by an Indian State in British India or the interest received on temporary deposits with Banks is not assessable under the Income-tax Act 1922, it is not necessary to declare them to the Income-tax Officers. I am to add that this does not apply to the personal property of the Rulers of Indian States.

Copy, with a copy of the memorandum replied to, forwarded to the Central Board of Revenue, for information.

Copy of a memorandum No.1562/167-P/35, dated Mount Abu, the 24th August 1935, from the Hon'ble the Agent to the Governor General in Rajputana, to the Political Secretary, to the Government of India, Simla.

Information regarding income to be declared to Income-tax Officers by Indian States.

The Jaipur Darbar have enquired whether the rent of immovable property held by an Indian State in British India and the interest received on temporary investments with Banks etc. in British India have to be declared to Income-tax Officers and are liable to assessment of British Indian Income-tax. I should be grateful if the Central Board of Revenue could kindly be asked to furnish information on the points raised by the Darbar.

****

N.C.
24-9-35.

S.N. 50

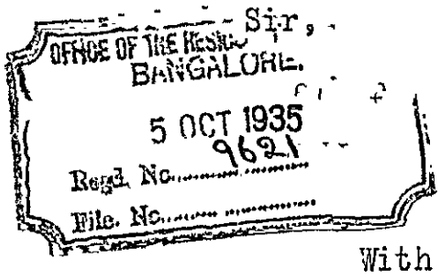
D.Dis.No.737-I.T./35.
CENTRAL BOARD OF REVENUE.
SIMLA, the 25th September 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,
Second Secretary, Central Board of Revenue,

To

J.M. Mohamed Ismael, Esquire,
Chief of the British Indian Muslim
Community in Saigon,
179, Rue Catinat - SAIGON.



Sir,

Indian Income-tax Act - Non-residents - Liability to tax - Returns and appeals - Time limit for - Representation from British Indian emigrants in Saigon.

....

With reference to your letter dated the 24th August 1935, I am directed to state that the Board is unable to accept your proposal that British Indian emigrants should be treated as "Registered Firms", and taxed at a rate not exceeding 12 pies per rupee and exempted from the payment of super-tax. As regards your proposal (1), I am to enclose a copy of paragraph 111(iii) of the Income-tax Manual, from which you will see that Income-tax Officers have been directed to allow more time to non-residents for submission of their returns of income. As regards your proposal (2), the Commissioners of Income-tax are being asked to instruct the Assistant Commissioners to exercise their discretion in admitting appeals filed by non-residents more than 30 days after the date of the service of the demand notice, if the delay in filing such appeals is due solely to the time taken in the post in both directions.

I have the honour to be,
Sir,
Your most obedient servant,

Sd/- Ram Nath,

Second Secretary, Central Board of Revenue

Copy of correspondence forwarded to all Commissioners of Income-tax, for information and necessary action.

By order, etc.,

for Second Secretary, Central Board of Revenu

S/26.

Copy of letter dated the 24th August 1935, from J.M. Mohamed Ismael, Esquire, Chief of the British Indian Muslim Community in Saigon, 179, Rue Catinat - SAIGON, to the Central Board of Revenue, Government of India, Simla.

I, the Chief of the British Indian Muslim Community in Saigon, have the honour to submit the following for your kind consideration.

(A) Among the British Indian emigrants in French Colonies and other foreign countries, many are merchants, land lords, employees, and cultivators. The Indian Income-tax Act, which formerly applied only to the merchants, has recently been made applicable also to the employees and to all incomes derived from any source.

(B) The enforcement of such an Act on the above British Indians, without allowing them an adequate reduction in consideration of the various heavy taxes and other indispensable expenses to which they are subjected in foreign lands, is very regrettable.

(C) The British Indian emigrants, who as merchants, land-lords, cultivators, or employees have managed to amass wealth and property by toiling hard for many years, and who take with them to India their many years savings are taxed on these savings as though they represent income derived in one year, and then at the increased rate. The imposing of such heavy taxes and super-taxes is unfair, and will certainly result in many Indians remaining abroad, owing to their fear of the above exhorbitant Income-tax being applied on their return to their mother country.

Consequently it is essential that some consideration should be shown to the British Indian emigrants, and that the Income-tax Act should be modified.

(1) The Time-limit accorded to Indians abroad for rendering their returns is: 30 days after receipt of the Incometax return form, and this applies to countries, including America, which are at a distance of more than two weeks by steamer. This time-limit is quite insufficient and should be increased from 30 to 90 days.

(2)

(2) The 30 days Time-limit for appeal is also inadequate to procure and submit the necessary documents, and thus an appeal is rendered quite impossible. Consequently it is obvious that this Time-limit should be extended from 30 to 120 days.

(3) The British Indian emigrants, whether merchants, land-lords, employees or cultivators should come under the same conditions as "Registered Firms", being taxed at a rate not exceeding 12 pies per rupee, and exempted from the payment of Super-Tax.

The Indian Income-tax Act if modified as suggested above would induce British Indians abroad to return freely to India taking with them their wealth, and thus would certainly improve the economic, financial, and commercial conditions of the mother country.

Submitting the above facts before you, I pray that beneficial measures be taken to help the suffering British Indians abroad.

S.N-51

June 19+35

Issued S.R.N 23.7.35

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 23.7.1935.

No.F321/35/R.O.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commissioner of Income-tax, C.& M. Station, Bangalore, for information and guidance.

for information, ~~in continuation of~~ / ~~with reference to~~ the correspondence ending ~~with~~ (his) ~~Memorandum~~ / ~~letter~~ / ~~endorsement~~ from

~~No.~~ , ~~dated the~~

By order, etc.,

(Sd) A.J. Courtney.

For ~~Secretary~~ / ~~Asst. Secy.~~ to the Resident in Mysore. & Commr. of Income-tax.

List of papers.

Cor. page 72 — Letter from the Govt. of India, Finance Dept. (Central Revenues) D.Dis. No. 760-I.T/35, dated the 24th September 1935.

Encl. to S.N.49 Cor. page 74 — Memo. from the Hon'ble the Agent to the Governor General in Rajputana to the Govt. of India, For. & Pol. Dept. No. 1562/167-P/35, dated the 24th August 1935.

S.N.50 Cor. page 75 & 76 — Letter from the Govt. of India, For. & Pol. Dept. to the Hon'ble the Agent to the Governor General in Rajputana No. F.198-I.B/35, dated the 17th September 1935

Letter from the Central Board of Revenue D.Dis.No.737-I.T./35, dated the 25th September 1935. with enclosure.

17-10-35

S.N. 52

78

R.Dis.No.1325-I.T./35.
CENTRAL BOARD OF REVENUE.
SIMLA, the 12th October 1935.

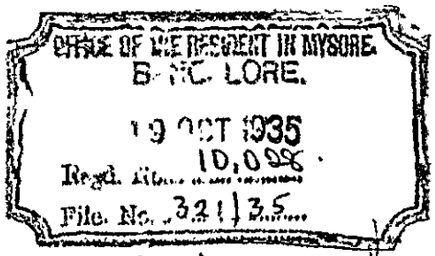
CORRIGENDUM.

NON-RESIDENTS - ASSESSMENTS AND REFUNDS TO - PROCEDURE.

S.N. 321/35 - mote issue

In line 3 of paragraph 1 (ii) of the Board's Circular No.6 of 1935, dated the 9th September, 1935, for the words "by a Special Income-tax Officer" substitute the words "by one or more Special Income-tax Officers".

S.N. 42 Cor: from 65 (x)



Second Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

N.C.
14-10-'35.

S.N. 53

R.Dis.No.868-I.T./35.
CENTRAL BOARD OF REVENUE.
Simla, the 15th October 1935.

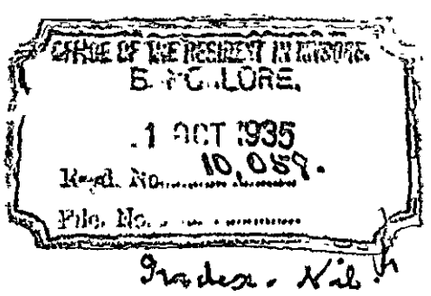
From

Rai Bahadur Pandit Ram Nath, B.A.,
Second Secretary, Central Board of Revenue,

To

The Controller of Military Accounts and Pensions.

Sir,



Liability to Income-tax - Pensions granted to Commissioned and Warrant Officers, Class One, on behalf of Imperial Government.

Your letter No.A I /2466, dated the 3rd October 1935.

In reply to your letter quoted above, I am directed to say that it has now been decided that both "Chelsea Pensions" and "Paymaster General Awards", being paid on behalf of His Majesty's Government, are not covered by the definition of "salaries" in section 7 of the Indian Income-tax Act, 1922. In neither case, therefore, is a deduction of tax, purporting to be made under section 18(2) of that Act, permissible.

2. In law, both kinds of pension, if received in India, are liable to income-tax by assessment under the head "Other Sources". The amount of revenue at stake in the case of "Chelsea pensions" is believed to be negligible and the Board does not propose to depart from the existing practice under which no attempt is

made.....

made to tax such pensions by direct assessment. The Board, as at present advised, sees no reason to extend a similar indulgence to "Paymaster General Awards" and such income will therefore remain liable to taxation by assessment..

I have the honour to be,

Sir,

Your most obedient servant,

16-10-35

Second Secretary, Central Board of Revenue.

Copy forwarded to the Commissioners of Income-tax, Major Provinces and Bangelore.

By order, etc.,

16-10-35

Second Secretary, Central Board of Revenue.

"K"15/10.

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 8-11- 1935.

No. F.321/35/R.C.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commissioner of Income-tax, C.& M. Station, Bangalore, for information.

for information, in continuation of / with reference to the correspondence ending with (his) Memorandum / letter / endorsement from

No. ~~dated the~~

By order, etc.,

Sd. A. J. [illegible]

For Secretary / ~~Asstx.Secy.~~ to the Resident in Mysore.

List of papers.

from the Central Board of Revenue

S.N.52 1. Corrigendum/R.Dis No. 1325/I.T/35, dated the 12th October 1935.
Cor. page 78

S.N.53 2. Letter from the Central Board of Revenue R.Dis No. 868-I.T/35, dated the 15th October 1935
Cor. pages 79-80

26-10-35

S. N. 55

OF THE RESIDENT
BANGALORE.
NOV. 1935
No. 10,694
Dis. 321/35

Index - Vol.

D.Dis.No.802-I.T/35.

CENTRAL BOARD OF REVENUE.

NEW DELHI, the 1st November 1935.

.....

M E M O R A N D U M.

Forms - I.T. 47.- Amendment of-.

Commissioners of Income-tax are informed that certain amendments have been made in form I.T.47 as shown in the copy enclosed herewith.

2. The corrections will be carried out when the form is next re-printed.

321/35

1.11.35

Second Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

Copy, with a copy of the form, forwarded to the Controller of Printing and Stationery for information and necessary action.

I.P.G.
23.10.35.

Form of Schedule of income-tax deductions for Civil Salary Circles.

INCOME-TAX— DISTRICT.

Schedule of income-tax deductions made in the month of 19 on salary paid for the month of

(to be attached to all salary bills and detailed establishment pay bills).

pension bills

Name of officer.	Designation of officer.*	Gross amounts of												Deductions on account of provident and other funds.		Deductions on account of life insurance premia.		Net salary on which tax has been calculated.		Income-tax deducted.		Remarks.
		Salary, wages, Annuity or Pension.		Overseas Pay.		House Allowance or value of rent-free quarters.		Amount of bonus, gratuity, fees, commissions, perquisites, or allowances (other than those shown in col. 3(c)), or profits in lieu of or in addition to salary or wages (each to be shown separately).														
1	2	3(a)		3(b)		3(c)		3(d)						4		5		6		7		8
		Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.					Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	

Signature and designation of the drawer of the bill.

For use in the Treasury only

Verified

(to be initialled by the clerk making the verification).

Month t/e

Number of voucher

I. T. 47. (Red).
MFP—1594IT—(M-2122)—22-5-34—5,00,000.

*The address must invariably be shown in Column 2 by pensioners.

S.N. 56

Res. Mysore 39.

OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 26 - 11 - *193* 5.

No. F. 321/35
R. O. I

A copy of the undermentioned paper(s) is forwarded to the Assistant Commr. of Income-tax, C.& M. Station, Bangalore, for information.

for information, ~~in continuation of~~ / with reference to the correspondence ~~ending~~ with his

~~Memorandum~~ / ~~letter~~ / endorsement from

~~No.~~ ~~dated~~ the

By order,

Sd. A. T. Courtney.

For *Secretary* / ~~*Asst. Secy.*~~ *to the Resident.* & Commr. of Income-tax

LIST OF PAPERS.

S.N.55 Cor. page 82 Memo. from the Central Board of Revenue D.Dis.No. 802-I.T/35, dated the 1st November 1935 with enclosure.

13-11-35

1621—2-4-1935—2,000—RPB.

S.N-57

84

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
19 NOV 1935
Regd. No. 11060
Pol. No. 321/35

S 84

R. Dis. No. 325-I. T./35.

CENTRAL BOARD OF REVENUE.

New Delhi, the 5th November 1935.

ADDENDUM.

NON-RESIDENTS—ASSESSMENT OF AND REFUNDS TO—PROCEDURE—CIRCULAR No. 6 OF 1935, DATED THE 9TH SEPTEMBER 1935 R. Dis. No. 325-I. T./35 — AMENDMENT OF.

S.N-42
Corr: page 65 (x)

321/83

At the end of paragraph 1 (i) of the Board's Circular quoted above after the words "or under section 49 of the Indian Income-tax Act, 1922." *add* the words "or under any Notification issued by Government under section 60(1) of the said Act, providing for relief on account of double payment of income-tax."

Second Secretary, Central Board of Revenue.

13.11.35

To

All Commissioners of Income-tax.

GIPD—635 CBR—12-11-35—730.

S.N.58

Res. Mysore 39.

OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,
Bangalore, the 25-11- 1935.

No. F. 321/35
R. O. I

A copy of the undermentioned paper(s) is forwarded to the Assistant Commissioner of Income-tax, C.& M. Station, Bangalore, for information.

for information, ~~in continuation of~~ / with reference to the correspondence ending with ~~his~~ / Memorandum / letter / endorsement from

~~No.~~ ~~dated the~~

By order,

Sd. A. J. Bowden

For *Secretary* / ~~Asst. Secy.~~ *to the Resident,* & Commissioner of Income-tax

21/XI

LIST OF PAPERS.

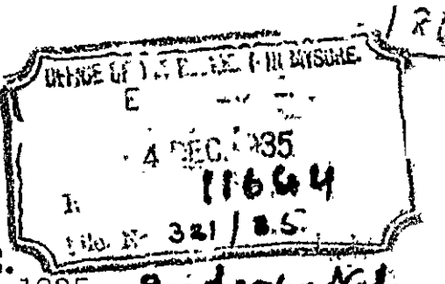
S.N.57
C.p.84

Addendum from the Central Board of Revenue R.Dis.No.325-I.T./35, dated the 5th November 1935 (with three spare copies)

21-11-35

1621—2-4-1935—2,000—RPB.

S.N. 58
59



T.M.T. 4-12-35

D.Dis.No.382.I.T./35.
CENTRAL BOARD OF REVENUE.
New Delhi, the 21st November 1935. Indirect - Nil

A copy of the undermentioned paper is forwarded to all Commissioners of Income-tax, in continuation of the Board's endorsement C.No.382.I.T./35, dated the 4th July 1935.

S.N. 82 C.No. 47 (D)

* letter C.No.382.I.T./35, dated the 4th July 1935.

By order, etc.,

321/35

27. 11. 35

for Second Secretary, Central Board of Revenue.

*To Baluchistan only.

List of papers forwarded.

Endorsement from the Army Department, No. B/33269/4 (A.G.13), dated the 9th September 1935 with enclosures.

P.R.
23.11.35.

Reg. No. 3621-A/A.D.5.

No.B/33269/3(A.G.13).
GOVERNMENT OF INDIA.
ARMY DEPARTMENT.
Simla, the 9th September 1935.

To

The Secretary
Commonwealth of Australia,
Prime Minister's Department,
Canberra.

Exemption from Indian income-tax of consolidated allowances paid to officers of the Australian Forces while attached to units in India.

Sir,

I am directed to refer to your communications noted on the margin relative to the above subject, and to forward a copy of letter No.C.No.382-I.T./35, dated the 4th July 1935, from the Government of India, Central Board of Revenue, to the Commissioner of Income-tax, Baluchistan, regarding the refund of income-tax to Captain C.M.L.Elliott.

Letter No.U.337/8, dated the 4th February 1935.
Correspondence ending with letter No. U.337/8, dated the 27th May 1935.

2. Claims from other officers for a refund of income-tax will be similarly dealt with, and it will be sufficient if the officers concerned will state separately the pay and consolidated allowance drawn each year and the income-tax charged thereon. Such claims should be submitted to the headquarters of the command in which the officer last served.

3. I am to add that claims for refunds of income-tax paid prior to the year 1934-35 are time-barred under Section 50 of the Indian Income-tax Act, 1922. In view, however, of the fact that the officers concerned were awaiting a reply from the Government of India to your letter No.U.337/8, dated the 6th March 1935, before submitting applications for refund of income-tax, the Government of India have decided, as a special case, to entertain applications from these officers for refund of income-tax paid in 1933-34. They regret that claims for the years prior to 1933-34 cannot be considered.

I am, Sir,
Your most obedient servant,

Sd: S.S.Ghosh.

Assistant Secretary to the Government of India.

No.B/33269/4(A.G.13).

Copy of the above, together with a copy of correspondence, forwarded to the Central Board of Revenue.

Sd: S.S. Ghosh.

Assistant Secretary to the Government of India.

COMMONWEALTH OF AUSTRALIA.

Prime Minister's Department,
Canberra, 27th May 1935.
U.337/8.

Sir,

I have the honour, by direction, to refer to the Under Secretary's despatch No.B-30725/1(A.G.13) of 13th November, 1934, on the subject of exemption from Indian income tax of consolidated allowances paid to officers of the Australian Forces while attached to units in India, and should be glad if you could kindly advise at an early date whether the Government of India can accede to the request of certain officers conveyed to you in my despatch of 6th March 1935, for refunds of tax paid by them on consolidated allowances while serving in Imdia.

I have the honour to be,
Sir,
Your obedient servant,
Sd/-J.F.A.Starling
Secretary.

The Secretary
to the Government of India
Army Department,
New Simla, India.

COMMONWEALTH OF AUSTRALIA.

Prime Minister's Department.
Canberra, 4th February 1935.
No.U.337/8.

Sir,

With reference to the Under Secretary's despatch No.B-30725/1(A.G.13) of 13th November, 1934, on the subject of the exemption from Indian Income Tax of the consolidated allowance paid to officers of the Australian Staff Corps while in India, I have the honour, by direction, to inform you that Captain C.M.L.Elliott, Australian Staff Corps, served in India as a student at the Staff College Quetta for the period from February 1932 until 18th January, 1934. During that period he was in receipt of a consolidated allowance of Rs.544 As.7 per mensem in addition to the pay of his rank as a Captain of the Australian Staff Corps. Captain Elliott has now made representations that during that period full Indian Income Tax, as well as Super Tax, was levied on both the pay of his rank, and the consolidated allowance granted to him whilst he was a student at Quetta. It is understood from representations made by Captain Elliott that the salaries of officers of the British Army in India are exempt from the super tax levied by the Indian Government, but that this exemption was not extended to him.

Captain Elliott advised that during the period of his duty in India the payment of Income Tax and Super Tax on both the pay of his rank and his consolidated allowance involved him in an expenditure of approximately Rs.80/- per mensem. He has stated, further, that if Income Tax and Super Tax had been charged only on his pay of rank and the consolidated allowance had been exempted from taxation, the resulting saving would have considerably relieved him of out-of-pocket expenses in excess of his pay and allowances which he necessarily incurred during his attachment in India.

It would be appreciated if the case of Captain Elliott could receive consideration and reimbursement could be made to him of such portion of the Indian Income Tax and Super Tax as was levied on the consolidated allowance of Rs.544 As.7 per mensem paid to him during his period of duty in India.

I have the honour to be,
Sir,
Your obedient servant,

Sd/- P.N.Campbell

for Secretary.

The Secretary
to the Government of India,
Army Department,
New Delhi.

190

COMMONWEALTH OF AUSTRALIA,
Prime Minister's Department.
Canberra. 6th March 1935.

U. 337/8.

Sir,

I have the honour, by direction, to refer to your letter No.B-30725/1(A.D.13) of 13th November 1934, on the subject of exemption from Indian income tax of consolidated allowances paid to officers of the Australian Forces while attached to units in India for the purpose of training.

Consequent upon the promulgation of information that the Government of India has agreed to the exemption from Indian income tax of the allowances referred to, representations have been made to the Defence authorities in Australia by certain officers who have returned from India, that consideration be given to their applications for refund of Indian income tax paid by them on consolidated allowances received while in India.

It would be appreciated if information could be furnished as to whether the decision conveyed in your communication mentioned above, may be regarded as having any retroactive effect, and, if so, whether the Government of India would favourably consider applications made by officers of the Australian Military Forces for refund of tax paid by them while serving in India on allowances of the nature referred to.

If the Government of India is agreeable to the retrospective exemption of the above allowances from Indian income tax, I should be glad to be favoured with advice as to the information which it would be necessary for officers to submit in order that their claims for refund of tax may be considered.

I have the honour to be,
Sir,
Your obedient servant,

Sd/-J.F.A.Starling,

Secretary.

The Secretary
to the Government of India,
Army Department,
New Delhi.

S.N.60.

Res. Mysore 39.

OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 21-12- 1935.

No. F. 321/35
R. O. I

A copy of the undermentioned paper(s) is forwarded to the Assistant Commr. of Income-tax, C.& M. Station, Bangalore, in continuation of endorsement from this Residency No. 321/35/R.O.I., dated the 22nd July 1935.

S.N.33
S.49 'D'

for information, ~~with reference to~~ in continuation of the correspondence ending with his ~~Memorandum~~ ~~letter~~ endorsement from

~~No.~~ ~~dated the~~

By order,

Rd. A. J. Courtney.

For *Secretary* ~~Asst. Secy.~~ *to the Resident.* & Commr. of Income-tax.

7.12.35

LIST OF PAPERS.

Encl. to S.N.59 C.p. 54-60. Enclosure from the Army Department No. B/33269/4 (A.G.13), dated the 9th September 1935 with enclosures.

6-12-35

1621—2-4-1935—2,000—RPB.

S. N. 61

CIRCULAR No. 7 OF 1935.
R. DIS. No. 356-I. T./35.

CENTRAL BOARD OF REVENUE.

New Delhi, the 18th November 1935.

30-11-35
OFFICE OF THE RESIDENT IN MYSORE
BANGALORE.
29 NOV. 1935
Regd. No. 11453
File. No.

CIRCULAR.

SUBJECT:—*Income-tax—Liability of Regimental Funds.*

FS. N. 110 F. 491(21) 1931

In the Central Board of Revenue letter D. Dis. No. 656-I. T./33, dated the 15th of August 1933,* (copy forwarded with Central Board of Revenue endorsement D. Dis. No. 356-I. T./35, dated the 20th of July 1935), it was made clear that as the income of regimental institutes and similar funds was intended only to benefit the members of the regiment and their dependents and was not devoted to any object of general public utility within the meaning of section 4(3) (*i*) of the Income-tax Act, 1922, it was liable to tax as the income of an association of individuals.

2. This decision is undoubtedly applicable to *income from investments;* and if such income is from an investment of such a nature that tax is not deducted at source, it is necessary to make an assessment, though in the case of income from interest on securities—which the Board understands constitutes the major portion of the income of such funds from investments—the only necessity for a return is to enable the Income-tax Officer to give a refund, if admissible under the provisions of section 48 of the Act.

3. The revenue of such funds from *subscriptions* is not "income" within the meaning of the Income-tax Act and no attempt should be made to raise an assessment in respect of such revenue.

4. Certain regimental institutes derive income from *rebates* granted by regimental contractors. It has been decided by the Government of India to exempt such income from tax, and this decision is given effect to by the Finance Department (Central Revenues) Notification No. 45-I. T., dated the 16th November 1935. It is the desire of the Government of India that no assessment should be raised in respect of such income which had accrued or been received before the date of the issue of that notification.

Page 1314 of Gazette of India Part I dt. 16-11-35

5. If the revenue of such funds includes an element which is not derived from any of the sources mentioned above, the Central Board of Revenue directs that before an assessment is actually raised a reference should be made to it by the Commissioner of Income-tax within whose jurisdiction the point arises. Any such reference should include a statement on the question whether an assessment has ever been raised before against the regimental fund in respect of income of the class to which the reference relates.

25.11.35

Second Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

Copy forwarded to the Army Department.

* Not to C. I. T., Bangalore.

GIPD—L661CBR—22-11-35—740.

S. N. 62

Issue

Res. Mysore 39.

OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 9th Dec *1936*.

Issue
16/12

No. F. 321/35
R. O. I

A copy of the undermentioned paper(s) is forwarded to the Assistant Commissioner of Income-tax, C. & M. Station, Bangalore, for information & guidance.

for information, ~~in continuation of~~ / with reference to ~~the correspondence ending~~ with his Memorandum / letter / endorsement from

~~No.~~ ~~dated the~~

By order,

B. A. S. Courtney.

For *Secretary* / ~~*Asst. Secy.*~~ *to the Resident.* & Commr. of Income-tax

LIST OF PAPERS.

S.N.61 / C.p. 88 Circular from the Central Board of Revenue No. 7 of 1935/R.Dis.No. 356-I.T./35, dated the 18th November 1935.

(Pub C)

14-12-35

1621—2-4-1935—2,000—RPB.

S 13/12 P.2.c I 40

D.Dis.No.768-I.T./35.

CENTRAL BOARD OF REVENUE.

NEW DELHI, the 4th December 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,

Second Secretary, Central Board of Revenue,

To

All Commissioners of Income-tax.

Sir,

Exemption from payment of Income-tax - Consolidated allowance - Officers of Australian Forces attached to the Staff College, Quetta or serving in exchange staff appointments.

* To C.I.T. Baluchistan only.

S.IV.32 C.I. 47 (D)

In continuation of my letter / endorsement C.No.382-I.T/35 dated the 4th July 1935, I am directed to state that the Government of India have also agreed to exempt from the payment of income-tax the consolidated allowances paid to officers of the Australian Military Forces attached to the Staff College, Quetta or Indian allowances paid to such officers serving in exchange staff appointments up to the extent of Rs.544-7-0 per mensem.

I have the honour to be,
Sir,
Your most obedient servant,

Ram Nath 6-12-35

Second Secretary, Central Board of Revenue

14-12-35

OFFICE OF THE RESIDENT IN MYSORE BANGALORE. 13 DEC. 1935 No. 12027 File No. 321/35

Index - Nil.

Copy forwarded to the Army Department and the Military Accountant-General.

By order, etc.,

for Second Secretary, Central Board of Revenue

N.D.G.
5.12.35.

S 17/12

P.2.C.II

Confidential. D.Dis.No.760(i)-I.T./35.

Government of India.

FINANCE DEPARTMENT (CENTRAL REVENUES).

NEW DELHI, the 11th December 1935.

From

A.H. Lloyd, Esquire, C.S.I., C.I.E., I.C.S.,

Joint Secretary to the Government of India,

To

All Commissioners of Income-tax

Sir,

Exemption from Income-tax - Aden and Port Sudan - Detachments sent to - Abyssinian crisis - Pay and Allowances of - Drawn in British India.

In continuation of my letter D.Dis.No.760-I.T./35, dated the 24th September 1935, I am directed to say that the Government of India have decided that Indian income-tax should not also be charged on the pay and allowances drawn in British India by the members of the Contingent sent to Aden and Port Sudan in connection with the Abyssinian crisis in respect of their service outside India.

I have the honour to be,
Sir,
Your most obedient servant,

A.H. Lloyd, 12-12-35

Joint Secretary to the Govt. of India.

OFFICE OF THE RESIDENT IN MYSORE
BANGALORE.
17 DEC. 1935
Regd. No 12221
File No. 321/35

Copy forwarded to the Army Department, Financial Adviser, Military Finance, and the Military Accountant-General.

By order, etc.,

Ram Nath 12-12-35

Assistant Secretary to the Government of India.

N.P.G.
12.12.35.

Issued 2 Copies
9.1.36. D.Dis. I

S.N. 65

Res. Mysore 39.

OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,
Bangalore, the 9th Jan 1936

Issue 21.xii.35

No. F. 321/35
R. O. I

A copy of the undermentioned paper(s) is forwarded to the Assistant Commr. of Income-tax, C.& M. Station, Bangalore, for information and guidance, in continuance of endorsement from this Residency No. 321/35/R.O.I., dated the 22nd July 1935.

S.N.33
C.p. 49
'D'

for information, ~~in continuation of~~ / ~~with reference to~~ ~~the correspondence ending with his~~

~~Memorandum~~ / ~~letter~~ / ~~endorsement~~ from

~~No.~~ ~~dated the~~

By order,

Sd. A. J. Courtney

For *Secretary* / ~~*Asst. Secy.*~~ *to the Resident.* & Commr. of Income-tax

21/xii

LIST OF PAPERS.

S.N.63
C.p. 90

Letter from the Central Board of Revenue D.Dis.No. 768-I.T/35, date the 4th December 1935,

I

20-12-35

1621—2-4-1935—2,000—RPB.

2 Annexes S.N.66

CONFIDENTIAL

Draft II

Res. Mysore 39.

OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 9th Jan 1936

No. F. 321/35
R. O. I

A copy of the undermentioned paper(s) is forwarded to the Asst. Commr. of Income-tax, C.& M. Station, Bangalore , for information and guidance, in continuation of endorsement from this Residency No. F.321/35/R.O.I dated the 23rd October 1935.

S.N.51
p.77
'D'

for information, ~~in continuation of~~ with reference to ~~the correspondence ending with his~~ Memorandum / letter / endorsement from

~~No.~~ ~~dated the~~

By order,

S. A. I Courtney.

For *Secretary* ~~*Asst. Secy.*~~ *to the Resident* & Commr. of Income-tax

21/xii

LIST OF PAPERS.

S.N.64 p. 91 Letter from the Govt. of India, Finance Department (Central Revenues) D.Dis. No. 760(i)-I.T./35, dated the 21th December 1935.

II

20-12-35

31/1/36

1621—2-4-1935—2,000—RPB.